

SPECTRUM PHARMACEUTICALS INC

Form DEF 14A

April 30, 2009

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**SCHEDULE 14A  
PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Definitive Proxy Statement
- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**SPECTRUM PHARMACEUTICALS, INC.**

**(Name of Registrant as Specified In Its Charter)**

N/A

**(Name of Person(s) Filing Proxy Statement, if other than the Registrant)**

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

- Fee paid previously with preliminary materials.

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

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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Dear fellow Stockholders,

We are pleased to provide you with the proxy materials for our 2009 Annual Meeting of Stockholders. This year, our meeting will be held on Friday, June 26, 2009 at 10:30 a.m. Pacific Time, at our corporate office located at 157 Technology Drive, Irvine, California, 92618.

2008 was an exceptional year for our Company. We made great progress in our transition from a drug development company to a commercial company by obtaining approval for our first proprietary, oncology product and acquiring a second proprietary oncology product that was already on the market. In a year when a global economic downturn threw many companies off-track, we remained focused on our goals. In 2008, we brought in more than \$62 million from strategic alliances and activities and we did not issue a single share of stock to do so.

In March 2008, we received approval from the FDA of our New Drug Application (NDA) for Fusilev™ (levoleucovorin) for injection. We launched Fusilev in August 2008 and achieved net sales of approximately \$7.7 million for 2008. In December 2008, we acquired a fifty percent interest in RIT Oncology, LLC (RIT), a joint venture established to commercialize and develop Zevalin® ([90Y]-ibritumomab tiuxetan) in the United States. In March 2009, we acquired the remaining 50% ownership in RIT, resulting in RIT becoming our wholly-owned subsidiary.

Sales of these two products have the potential to increase if the FDA approves additional applications we have filed for each. We have received an action date from the FDA of October 8, 2009 for a supplemental NDA for Fusilev for its use in combination with 5-FU-containing regimens in the treatment of colorectal cancer, a much larger indication than our current indication. In addition, the FDA established an action date of July 2, 2009 for a decision regarding the supplemental Biologics License Application for Zevalin for its use as first-line therapy for patients with B-cell follicular NHL which, if approved, will allow for the label to address a substantially larger patient population.

We also entered into an important partnership for one of our late-stage drugs. For apaziquone, in October 2008 we signed an exclusive development and commercialization collaboration agreement with Allergan, Inc. for all countries except for those in Asia. Under the terms of the agreement, Allergan paid us \$41.5 million at closing and will make additional payments of up to \$304 million based on the achievement of certain development, regulatory and commercialization milestones. In the United States, we will co-promote apaziquone with Allergan and share equally profits and expenses. Allergan will also pay us royalties on all of its apaziquone sales outside of the United States. Spectrum will continue to conduct the apaziquone clinical trials pursuant to a joint development plan, with Allergan bearing 65% of these expenses. We continue to recruit sites and enroll patients in these two studies and our goal is to complete enrollment for both Phase 3 clinical trials by year-end 2009.

So it has been a great year, but we have much work to do in 2009 to continue to unleash the potential of our drugs. We need your help at the upcoming annual meeting.

At this meeting, we are asking for votes from our stockholders on three important matters. The first matter is the re-election of our six board of director members. We believe that our director nominees will continue to bring high ethical standards, significant knowledge, experience, contacts and oversight to help us move forward with the commercialization of our marketed drugs and development of our clinical drugs. The second matter is a vote to approve the adoption of the Spectrum Pharmaceuticals, Inc. 2009 Employee Stock Purchase Plan. The third matter is a vote to approve the adoption of the Spectrum Pharmaceuticals, Inc. 2009 Incentive Award Plan. As we continue to grow as a company, it is critical that we incentivize our employees and align their interests with those of our stockholders. These plans will support our growth and give our employees a stake in the future success of the

Company.

Your vote is important, and whether or not you attend the annual meeting, I encourage you to sign and return your proxy card, so that your shares of stock will be represented and your votes cast at the meeting. If you have any

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further questions, please contact our Vice President Finance, Mr. Shyam Kumaria, at Spectrum Pharmaceuticals, Inc., 157 Technology Drive, Irvine, CA 92618.

We thank you for your consideration and support, and hope to see you at this year's annual meeting to learn more about our future plans for Spectrum Pharmaceuticals.

Sincerely,

Rajesh C. Shrotriya, M.D.  
*Chairman of the Board, Chief Executive  
Officer and President*

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**157 Technology Drive  
Irvine, CA 92618**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS  
To Be Held Friday, June 26, 2009**

To our Stockholders:

The 2009 annual meeting of stockholders of Spectrum Pharmaceuticals, Inc. will be held at our corporate office located at 157 Technology Drive, Irvine, California, 92618, on Friday, June 26, 2009, beginning at 10:30 a.m., Pacific Time. At the annual meeting, the holders of our outstanding voting securities will act on the following matters:

- (1) Election of six directors, each for a term of one year;
- (2) Approval of the adoption of the Spectrum Pharmaceuticals, Inc. 2009 Employee Stock Purchase Plan;
- (3) Approval of the adoption of the Spectrum Pharmaceuticals, Inc. 2009 Incentive Award Plan; and
- (4) Transaction of such other business as may properly come before the meeting.

All holders of record of shares of our common stock and Series E Convertible Voting Preferred Stock at the close of business on April 27, 2009 are entitled to vote at the Annual Meeting and any postponements or adjournments of the annual meeting.

***Please note that registration will begin at 9:30 a.m., and seating will begin immediately thereafter. Each stockholder may be asked to present valid picture identification, such as a driver's license or passport. Stockholders holding stock in brokerage accounts (street name holders) will need to bring a copy of a brokerage statement reflecting stock ownership as of the record date. It is important that your shares be represented; therefore, even if you presently plan to attend the annual meeting, PLEASE COMPLETE, SIGN AND DATE, AND PROMPTLY RETURN THE ENCLOSED PROXY CARD IN THE ENVELOPE PROVIDED.***

Very truly yours,

Rajesh C. Shrotriya, M.D.  
*Chairman of the Board, Chief Executive  
Officer and President*

Date: April 30, 2009  
Irvine, California

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE  
STOCKHOLDER MEETING TO BE HELD ON JUNE 26, 2009**

**The proxy statement and annual report to our stockholders for the year ended December 31, 2008 are available at our Investor Relations page of our Internet website under the heading Annual Meeting and Proxy**

**Information. Our web page is <http://www.spectrumpharm.com>.**

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**157 Technology Drive  
Irvine, California 92618**

**PROXY STATEMENT**

**The enclosed Proxy is solicited on behalf of the Board of Directors of Spectrum Pharmaceuticals, Inc. ( Spectrum, we, our, us or the Company ) for use at our 2009 annual meeting of stockholders to be held Friday, June 26, 2009 at 10:30 a.m., Pacific Time, or at any postponement or adjournment thereof, for the purposes set forth herein and in the accompanying Notice of Annual Meeting of Stockholders. The annual meeting will be held at our corporate office located at 157 Technology Drive, Irvine, California, 92618. This proxy statement and the accompanying proxy are first being mailed to our stockholders on or about May 18, 2009.**

**QUESTIONS AND ANSWERS ABOUT THE 2009 ANNUAL MEETING AND VOTING**

***What is the purpose of the annual meeting?***

At our annual meeting, stockholders will act upon the matters outlined in the notice of annual meeting on the cover page of this proxy statement, including the election of six directors, each for a term of one year that expires at the annual meeting in 2010, the approval of the adoption of the Spectrum Pharmaceuticals, Inc. 2009 Employee Stock Purchase Plan, and the approval of the adoption of the Spectrum Pharmaceuticals, Inc. 2009 Incentive Award Plan. In addition, following the annual meeting, management will report on our performance during fiscal 2008 and early 2009.

***Who is entitled to vote at the annual meeting?***

Only stockholders of record at the close of business on April 27, 2009, the record date for the annual meeting, are entitled to receive notice of and to vote at the annual meeting. If you were a stockholder of record on that date, you are entitled to vote all of the shares that you held on that date at the annual meeting, or any postponements or adjournments of the annual meeting. A list of such stockholders will be available for examination by any stockholder at the annual meeting and, for any purpose germane to the annual meeting, at our principal business office, 157 Technology Drive, Irvine, California, 92618, for a period of ten days prior to the annual meeting.

***How many shares of our common stock and preferred stock are outstanding and what are the voting rights of the holders of those shares?***

On April 27, 2009, the record date for the annual meeting, 32,546,839 shares of our common stock and 68 shares of our Series E Convertible Voting Preferred Stock ( Series E Preferred Stock ) were outstanding. Holders of the outstanding shares of our common stock on the record date will be entitled to one vote on each matter for each share of our common stock held as of such date. Our Series E Preferred Stock has voting rights and powers equal to those of our common stock. Holders of our Series E Preferred Stock as of the record date shall be entitled to vote with respect to any matter upon which holders of our common stock have the right to vote, voting together with the holders of our common stock as one class. Each holder of our Series E Preferred Stock shall be entitled to the number of votes equal to the number of shares of our common stock into which such shares of our Series E Preferred Stock could be

converted on the record date at the then current conversion value, as determined pursuant to the Certificate of Designations, Rights and Preferences of the Series E Preferred Stock (the Certificate of

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Designations ). At the current conversion value, each share of Series E Preferred Stock is entitled to 2,000 votes on each matter at the annual meeting. Consequently, the holders of our Series E Preferred Stock shall have a total of 136,000 votes on each matter at the annual meeting. Including both the outstanding common stock and the Series E Preferred Stock, voting together as one class, a total of 32,682,839 votes may be cast at the annual meeting.

### ***Who can attend the annual meeting?***

All stockholders as of the record date, or their duly appointed proxies, may attend the annual meeting. Registration will begin at 9:30 a.m., and seating will begin immediately thereafter. If you attend, please note that you may be asked to present valid picture identification, such as a driver's license or passport. Please also note that if you hold your shares in street name (that is, through a broker or other nominee), you will need to bring a copy of a brokerage statement reflecting your stock ownership as of the record date and check in at the registration desk at the annual meeting.

### ***What constitutes a quorum?***

The presence at the annual meeting of the holders of a majority of the aggregate of the outstanding shares of our common stock and our preferred stock (of which only Series E Preferred Stock is currently outstanding), which will be counted as if converted into common stock, in person or by proxy and entitled to vote, will constitute a quorum, permitting the annual meeting to conduct its business. Proxies marked withheld as to any director nominee and broker non-votes are counted by us for purposes of determining the presence or absence of a quorum at the annual meeting for the transaction of business. Broker non-votes are shares that are not voted by the broker who is the record holder of the shares because the broker is not instructed to vote on such matter by the beneficial owner and the broker does not have discretionary authority to vote on such matter.

### ***How do I vote?***

If you complete and properly sign the accompanying proxy card and return it to us, it will be voted as you direct. If you are a registered stockholder (that is, if you hold your stock in certificate form or otherwise directly and not through a broker or other nominee) and attend the annual meeting, you may deliver your completed proxy card in person. We encourage you, however, to submit the enclosed proxy card in advance of the annual meeting. In addition, ballots will be available for registered stockholders to vote in person at the annual meeting. Stockholders who hold their shares in street name may vote in person at the annual meeting only by obtaining a proxy form from the broker or other nominee that holds their shares.

### ***Can I vote by telephone or electronically?***

If you are a registered stockholder, you may not vote by telephone or electronically since we do not have that capability. If your shares are held in street name, i.e., by a broker or other nominee, please check the voting instruction card you received from your broker or nominee or contact your broker or nominee to determine whether you will be able to vote by telephone or electronically and what deadlines may apply to your ability to vote your shares by telephone or electronically.

### ***Can I change my vote after I return my proxy card?***

Yes. As a registered stockholder, you may change your vote at any time before the proxy is voted at the annual meeting by filing with our Secretary either a written notice of revocation or a duly executed proxy bearing a later date. The powers of the proxy holders will be suspended if you attend the annual meeting in person and request that your proxy be suspended, although attendance at the annual meeting will not by itself revoke a previously granted proxy.

Any written notice revoking a proxy should be sent to our Secretary at our corporate offices at 157 Technology Drive, Irvine, California 92618, and must be received prior to the commencement of the meeting. If your shares are held in street name, please check the voting instruction card you received from your broker or nominee or contact your broker or nominee to determine how to change your vote.

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***What is the Board's recommendation?***

Unless you give other instructions on your proxy card, the persons named as proxy holders on the proxy card will vote your shares FOR election of the six nominees for director, FOR the approval of the adoption of the Spectrum Pharmaceuticals, Inc. 2009 Employee Stock Purchase Plan, and FOR the approval of the adoption of the Spectrum Pharmaceuticals, Inc. 2009 Incentive Award Plan, all in accordance with the recommendation of our board of directors.

With respect to other business that may properly come before the annual meeting, the proxy holders will vote as recommended by our board of directors or, if no recommendation is given, in their own discretion.

***What vote is required to approve the Proposal?***

For Proposal No. 1, the director nominees receiving the highest number of affirmative votes cast, in person or by proxy, at the annual meeting, up to the number of directors to be elected at the annual meeting (six directors), will be elected as directors. Accordingly, abstentions will have no effect in determining which directors receive the highest number of votes. The election of directors is a matter on which a broker or other nominee has discretionary voting authority. Accordingly, no broker non-votes will result from this proposal.

For Proposal No. 2 and Proposal No. 3, the affirmative vote of the holders of a majority of the voting power held by holders of shares of common stock and Series E Preferred Stock present in person or represented by proxy at the annual meeting and voting on the matter is necessary for (i) the approval of the adoption of the Spectrum Pharmaceuticals, Inc. 2009 Employee Stock Purchase Plan and (ii) the approval of the adoption of the Spectrum Pharmaceuticals, Inc. 2009 Incentive Award Plan. Abstentions with respect to these proposals will have the same effect as a vote against these proposals and broker non-votes will have no effect upon these proposals.

**Stockholders Sharing the Same Last Name and Address**

The SEC rules permit banks, brokers and other nominee record holders to participate in a practice known as householding, which means that only one copy of the proxy statement and annual report will be sent to multiple stockholders who share the same address. Householding is designed to reduce printing and postage costs and, therefore, results in cost savings for Spectrum. If you receive a householded mailing this year and would like to have additional copies of our proxy statement and/or annual report mailed to you, or if you would like to opt out of this practice for future mailings, please contact your bank, broker or other nominee record holder, or submit your request to our Secretary, c/o Spectrum Pharmaceuticals, Inc., 157 Technology Drive, Irvine, CA 92618, by telephone at (949) 788-6700. Upon receipt of any such request, we agree to promptly deliver a copy of our proxy statement and/or annual report to you. In addition, if you are currently a stockholder sharing an address with another stockholder and wish to receive only one copy of future proxy materials for your household, please contact us using the contact information set forth above.

**Table of Contents****STOCK OWNERSHIP****SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND EXECUTIVE OFFICERS AND DIRECTORS.**

Based on information publicly filed and provided to us by certain holders, the following table shows the amount of our Series E Preferred Stock and common stock beneficially owned on April 27, 2009 (unless otherwise indicated) by holders of more than 5% of the outstanding shares of any class of our voting securities, other than with respect to Dr. Rajesh C. Shrotriya (our Chairman, Chief Executive Officer and President) whose ownership is included in the second table below. Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting and/or investment power with respect to our voting securities, unless footnoted to the contrary. For purposes of the following tables, the percentage ownership is based upon 68 shares of our Series E Preferred Stock, and 32,546,839 shares of our common stock, outstanding as of April 27, 2009. Unless otherwise indicated, the business address of each stockholder is c/o Spectrum Pharmaceuticals, Inc., 157 Technology Drive, Irvine, California, 92618.

Name and Address of Beneficial Owner(1)	Preferred Shares Beneficially Owned(1)	Percent of Preferred Stock Outstanding(2)	Common Shares and Common Equivalents Beneficially Owned(3)	Percent of Common Shares Outstanding(3)	Percent of Shares Eligible to Vote on April 27, 2009(4)
Rockmore Investment Master Fund, Ltd.(5) 150 East 58th Street, 28th Floor New York, NY 10155	48	70.59%	96,000	*	*
Sands Brothers Venture Capital Funds 1-IV, LLC(6) 90 Park Avenue, 31st Floor New York, NY 10016	20	29.41%	40,000	*	*

\* Less than 1%

- (1) The amount relates to the shares of our Series E Preferred Stock owned by the entity as of April 27, 2009. There are no outstanding shares of any other series of our preferred stock.
- (2) Represents the percentage ownership of the total number of our outstanding shares of Series E Preferred Stock.
- (3) Shares of common stock owned as of April 27, 2009 and shares of common stock subject to preferred stock and warrants currently convertible or exercisable, or convertible or exercisable within 60 days of April 27, 2009, are deemed beneficially owned and outstanding for computing the percentage of the person holding such securities.

but are not considered outstanding for computing the percentage of any other person.

- (4) Reflects actual voting percentage. Each holder of Series E Preferred Stock shall be entitled to the number of votes equal to the number of shares of common stock into which such shares of Series E Preferred Stock could be converted on the record date at the then current conversion value as determined pursuant to the Certificates of Designations. At the current conversion value, each share of Series E Preferred Stock is entitled to 2,000 votes on each matter at the annual meeting. Consequently, the holders of our Series E Preferred Stock shall have a total of 136,000 votes on each matter at the annual meeting.
- (5) Based upon the information provided to us by the holder, Rockmore Capital, LLC ( Rockmore Capital ) and Rockmore Partners, LLC ( Rockmore Partners ), each a limited liability company formed under the laws of the State of Delaware, serve as the investment manager and general partner, respectively, to Rockmore Investments (US) LP, a Delaware limited partnership, which invests all of its assets through Rockmore Investment Master Fund Ltd., an exempted company formed under the laws of Bermuda ( Rockmore Master Fund ). By reason of such relationships, Rockmore Capital and Rockmore Partners may be deemed to share dispositive power over the shares of common stock owned by Rockmore Master Fund. Rockmore Capital and Rockmore Partners disclaim beneficial ownership of such shares of the common stock. Rockmore s beneficial ownership includes the effect of converting the 48 shares of Series E Preferred stock into 96,000 shares of common stock. Rockmore Partners has delegated authority to Rockmore Capital regarding the portfolio management decisions



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with respect to the shares of common stock owned by Rockmore Master Fund and, as of April 27, 2009, Mr. Bruce T. Bernstein and Mr. Brian Daly, as officers of Rockmore Capital, are responsible for the portfolio management decisions of the shares of common stock owned by Rockmore Master Fund. By reason of such authority, Messrs. Bernstein and Daly may be deemed to share dispositive power over the shares of our common stock owned by Rockmore Master Fund. Messrs. Bernstein and Daly disclaim beneficial ownership of such shares of our common stock and neither of such persons has any legal right to maintain such authority. No other person has sole or shared voting or dispositive power with respect to the shares of our common stock as those terms are used for purposes under Regulation 13D-G of the Securities Exchange Act of 1934, as amended. No person or group (as that term is used in Section 13(d) of the Securities Exchange Act of 1934, as amended, or the SEC's Regulation 13D-G) controls Rockmore Master Fund.

- (6) Based upon the information provided to us by the holder, SB Venture Capital Management I-IV, LLCs are the Investment Advisors to Sands Brothers Venture Capital LLC ( SBV ), Sands Brothers Venture Capital II LLC ( SBV II ), Sands Brothers Venture Capital LLC III ( SBV III ) and Sands Brothers Venture Capital IV LLC ( SBV IV ) (collectively, the Funds ). The Funds' beneficial ownership includes the effect of converting the 20 shares of Series E Preferred stock into 40,000 shares of common stock. Martin S. Sands and Steven B. Sands are co-Member Managers of SB Venture Capital Management LLC, SB Venture Capital Management II LLC, SB Venture Capital Management III LLC, and SB Venture Capital Management IV LLC, each a New York limited liability company and each the member-manager of SBV, SBV-II, SBV-III and SBV-IV, respectively, and are the natural persons exercising voting and investment control over securities beneficially owned by the Funds.

The following table sets forth certain information regarding the beneficial ownership of our common stock as of April 27, 2009 (unless otherwise noted) by: (i) each of our directors, (ii) our named executive officers, and (iii) all of our directors and executive officers as a group. Shares of common stock owned as of April 27, 2009 and shares of common stock subject to options currently exercisable or exercisable within 60 days of April 27, 2009, are deemed beneficially owned and outstanding for computing the percentage of the person holding such securities, but are not considered outstanding for computing the percentage of any other person. Unless otherwise noted, each person listed below has sole voting power and sole investment power with respect to shares shown as owned by him. Information as to beneficial ownership is based upon statements furnished to us or filed with the SEC by such persons. Unless otherwise indicated, the business address of each stockholder is c/o Spectrum Pharmaceuticals, Inc., 157 Technology Drive, Irvine, California, 92618.

Name of Beneficial Owner	Options	Shares(1)	Total Owned	Percent of Shares Outstanding
<b>Named Executive Officers</b>				
Shrotriya, Rajesh(2)	1,777,000	636,259	2,413,259	7.0%
Lenaz, Luigi(3)	304,750	235,503	540,253	1.6%
Kumaria, Shyam(4)	125,000	101,523	226,523	*
<b>Directors</b>				
Cybulski, Mitchell(5)	37,500	5,000	42,500	*
Fulmer, Richard(5)	77,500	17,500	95,000	*
Krassner, Stuart(5)	77,500	10,750	88,250	*
Maida, Anthony(5)	117,500	10,000	127,500	*
Vida, Julius(5)	124,500	11,200	135,700	*
<b>All Executive Officers and Directors as a group (8 persons)(6)</b>			<b>3,668,985</b>	<b>10.4%</b>

\* less than 1%

- (1) The holders of restricted stock are entitled to vote and receive dividends, if declared, on the shares of common stock covered by the restricted stock grant.

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- (2) The number of shares includes 200,000 unvested restricted shares of our common stock subject to future vesting.
- (3) The number of shares includes 25,000 unvested restricted shares of our common stock subject to future vesting, and 25,000 shares of our common stock issued to M. Dianne DeFuria, Dr. Lenaz's spouse. On June 30, 2008, Dr. Lenaz retired as an executive officer.
- (4) The number of shares includes 32,500 unvested restricted shares of our common stock subject to future vesting.
- (5) The number of shares includes 2,500 unvested restricted shares of our common stock subject to future vesting.
- (6) The number of shares includes 270,000 unvested restricted shares of our common stock held as a group subject to future vesting.

**EXECUTIVE OFFICERS**

The following table provides information regarding our executive officers, their ages, the year in which each first became an officer of us and descriptions of their backgrounds.

**Name and Age**

*Rajesh C. Shrotriya, M.D. (65)*  
Chairman of the Board, Chief  
Executive Officer and President

Information regarding Dr. Shrotriya is provided under Proposal 1 Election of Directors on page 9 of this proxy statement.

*Shyam Kumaria (59)*  
Vice President Finance

Mr. Kumaria has served as Vice President Finance since December 2003. From 1996 to 2003, he provided financial and management consulting services to private companies. From 1984 to 1996, he served in senior executive and management positions for several companies including Deloitte & Touche. Mr. Kumaria became a Chartered Accountant in London, England in 1973 and a Certified Public Accountant in 1978. He received an Executive M.B.A. from Columbia University in 1984.

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**PROPOSAL 1 ELECTION OF DIRECTORS**

Our board of directors consists of six annually elected directors. Acting upon the recommendation of our Nominating and Corporate Governance Committee, the full board of directors nominated Mitchell P. Cybulski, Richard D. Fulmer, Stuart M. Krassner, Anthony E. Maida, Rajesh C. Shrotriya and Julius A. Vida for election to our board.

Unless you specifically withhold authority in the attached proxy for the election of any of these directors, the persons named in the attached proxy will vote **FOR** the election of Drs. Krassner, Shrotriya and Vida, and Messrs. Cybulski, Fulmer and Maida to our board of directors. Each director will be elected to serve a one-year term expiring at the annual meeting in 2010 and until his or her successor has been duly elected and qualified, or until his or her earlier resignation or removal.

Each of the nominees has consented to serve if elected. If any of them becomes unavailable to serve as a director, our board may designate a substitute nominee. In that case, the proxy holders will vote for the substitute nominee designated by the board. Our board of directors has no reason to believe that any of the nominees will be unable to serve.

OUR BOARD OF DIRECTORS RECOMMENDS A VOTE **FOR** THE FOLLOWING SIX NOMINEES.

The following provides information regarding our nominees to our board of directors, their ages, the year in which each first became our director, their principal occupations or employment during the past five years and any family relationship with any of our other directors or executive officers:

***Mitchell P. Cybulski, M.B.A.***

Mitchell P. Cybulski, 62, has been a director of Spectrum since July 2007. From 1993 to his retirement in 2000, Mr. Cybulski served as Chairman of the international business of SmithKline Beecham Plc., a pharmaceutical company, with responsibility for all pharmaceutical, vaccine and consumer sales for all territories outside of North America and Europe. Mr. Cybulski served as President Japan/Pacific for SmithKline Beecham Plc. from 1991 to 1993, with responsibility for pharmaceutical and vaccine businesses in Southeast Asia, China, Japan, Australia and New Zealand. From 1985 to 1991, he served as President, Japan, for Bristol-Myers Squibb. From 1982 to 1985, Mr. Cybulski served as President of Mead Johnson, Canada, a subsidiary of Bristol-Myers. Before holding that position, he served in various capacities in finance and general management at Bristol-Myers. Mr. Cybulski sits on the boards of several private companies, including bio-tech and medical device companies. Mr. Cybulski is a graduate of the University of Texas at Arlington and holds an M.B.A. from Columbia University.

***Richard D. Fulmer, M.B.A.***

Mr. Fulmer, 63, has been a director of Spectrum since September 2005. His career spans over thirty years, including twenty-four years spent at Pfizer, Inc., a NYSE listed pharmaceutical company, where he held senior positions in marketing, business development, and general management. Mr. Fulmer retired from Pfizer in 2001 and since that

time has served as a business advisor to privately held companies in the pharmaceutical industry. From 1998 until his retirement, Mr. Fulmer was Vice President and General Manager of Pfizer's US Veterinary healthcare business, with accountability for the management of sales, marketing, and medical operations. Prior to that assignment, Mr. Fulmer served as Pfizer's Vice President for Licensing and Development from 1993 to 1997, with responsibility for corporate licensing and business development activity, which included the acquisition of new drugs and technology for the global pharmaceutical business. Chief among his accomplishments was

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the formation of a strategic alliance with Eisai for the Alzheimer's drug Aricept. He also led efforts to license the cholesterol reduction product Lipitor and the NSAID Celebrex. During his tenure in licensing, he became a prominent speaker at industry conferences and a member of the Licensing Executive Society. Mr. Fulmer was also a Vice President of Marketing for Pfizer where he played a key role in the introduction and commercial success of several market leading drugs, including Diflucan, Zoloft, and Glucotrol. Prior to joining Pfizer, Mr. Fulmer was a Senior Financial Analyst for the Ford Motor Company and served as a Captain in the United States Marine Corps. He received an MBA in Finance from George Washington University. He also holds a B.S. in Economics from the University of Oregon and a Diploma in International Business from the Netherlands School of Business, Nijenrode University.

***Stuart M. Krassner, Sc.D., Psy.D***

Dr. Krassner, 73, has been a director of Spectrum since December 2004 and was previously a member of our Scientific Advisory Board from 1996 to 2001. Dr. Krassner's career spans four decades of experience in various positions at the University of California, Irvine (UCI), most recently as Professor Emeritus of Developmental and Cell Biology at the School of Biological Sciences. While at UCI, he developed and reinforced FDA and NIH compliance procedures for UCI-sponsored human clinical trials, established UCI's first Institutional Review Board, and at one time headed all contract and grant activities. Dr. Krassner has also been retained by a number of public and private pharmaceutical, medical device and other companies to provide scientific and regulatory advisory services, including FDA compliance. Dr. Krassner's work has been published in numerous peer-reviewed U.S. journals. Dr. Krassner has been awarded grants from the National Institute of Health, the National Science Foundation and the World Health Organization. Dr. Krassner has been a member of the American Society of Protozoology, the American Society of Tropical Medicine and Hygiene, the Corporation of the Marine Biological Laboratories, Woods Hole, MA, and Sigma Xi, among others. Dr. Krassner received his Sc.D. from the Bloomberg School of Public Health at Johns Hopkins University. He holds a B.S. in Biology from Brooklyn College.

***Anthony E. Maida, III, M.A., M.B.A.***

Mr. Maida, 57, has been a director of Spectrum since December 2003. Mr. Maida has been the Acting Chairman of Dendri Therapeutics, Inc., a startup company focused on the clinical development of therapeutic vaccines for patients with cancer, since 2003. Mr. Maida has been serving as Chairman, Founder and Director of BioConsul Drug Development Corporation and Principal of Anthony Maida Consulting International since 1999, providing consulting services to large and small biopharmaceutical firms in the clinical development of oncology products and product acquisitions and to venture capital firms

evaluating life science investment opportunities. Additionally, Mr. Maida also serves as a member of the Board of Directors of Sirion Therapeutics, Inc., a private ophthalmic-focused company, and GlycoMetrix, Inc., a startup company focused on the development of tests to identify sugars that can indicate cancer. Mr. Maida served as the President and Chief Executive Officer of Replicon NeuroTherapeutics, Inc., a biopharmaceutical company focused on the therapy of patients with tumors (both primary and metastatic) of the central nervous system

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(CNS), where he successfully raised financing from both venture capital and strategic investors and was responsible for all financial and operational aspects of the company, from June 2001 to July 2003. From 1999 to 2001, Mr. Maida held positions as Interim Chief Executive Officer for Trellis Bioscience, Inc., a private biotechnology company that addresses high clinical stage failure rates in pharmaceutical development, and President of CancerVax Corporation, a biotechnology company dedicated to the treatment of cancer. From 1992 until 1999, Mr. Maida served as President and CEO of Jenner Biotherapies, Inc., a biopharmaceutical company. From 1980 to 1992, Mr. Maida served in senior management positions with various companies including President and Chief Executive Officer of Cell Path, Inc., a biosciences company specializing in drug discovery and development, and Vice President Finance and Chief Financial Officer of Data Plan, Inc., a wholly owned subsidiary of Lockheed Corporation. Additionally, Mr. Maida currently performs research in the laboratory of Kit S. Lam, M.D., Ph.D., University of California, Medical Center, Department of Hematology and Oncology, where he completed his doctoral work in immunology (advanced to Doctoral Candidacy). Mr. Maida serves on the Advisory Boards of EndPoint BioCapital, and Sdn Bhd (Kuala Lumpur, Malaysia) and serves as a consultant and technical analyst for several investment firms, including CMX Capital, LLC, Sagamore Bioventures, Roaring Fork Capital, North Sound Capital, and vFinance. Additionally, Mr. Maida has been retained by Abraxis BioScience, Inc., Northwest Biotherapeutics, Inc., Takeda Chemical Industries, Ltd. (Osaka, Japan), and Toucan Capital to conduct corporate and technical due diligence on investment opportunities. Mr. Maida is a speaker at industry conferences and is a member of the American Society of Clinical Oncology, the American Association for Cancer Research, the Society of Neuro-Oncology, the International Society for Biological Therapy of Cancer, the American Association of Immunologists and the American Chemical Society and the Society of Toxicology. Mr. Maida received a B.A. Degree in History from University of Santa Clara in 1975, received a B.A. degree in Biology from San Jose State University in 1977, a M.B.A. from the University of Santa Clara in 1978, and received a M.A. in toxicology from San Jose University in 1986.

***Rajesh C. Shrotriya, M.D.***

Dr. Shrotriya, 65, has been Chairman of the Board, Chief Executive Officer and President since August 2002 and a director of Spectrum since June 2001. From September 2000 to August 2002, Dr. Shrotriya served as President and Chief Operating Officer of Spectrum. Dr. Shrotriya also serves as a member of the Board of Directors of Antares Pharma, Inc., an AMEX listed drug delivery systems company. Prior to joining Spectrum, Dr. Shrotriya held the position of Executive Vice President and Chief Scientific Officer from November 1996 until August 2000, and as Senior Vice President and Special



Assistant to the President from November 1996 until May 1997, for SuperGen, Inc., a publicly-held pharmaceutical company focused on drugs for life-threatening diseases, particularly cancer. From August 1994 to October 1996, Dr. Shrotriya held the positions of Vice President, Medical Affairs and Vice President, Chief Medical Officer of MGI Pharma, Inc., an oncology-focused biopharmaceutical company. Dr. Shrotriya spent 18 years at Bristol-Myers Squibb Company in a variety of positions, most recently as Executive Director, Worldwide CNS Clinical Research. Previously,

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Dr. Shrotriya held various positions at Hoechst Pharmaceuticals, most recently as Medical Advisor. Dr. Shrotriya was an attending physician and held a courtesy appointment at St. Joseph Hospital in Stamford, Connecticut. In addition, he received a certificate for Advanced Biomedical Research Management from Harvard University. Dr. Shrotriya received his M.D. degree from Grant Medical College, Bombay, India, in 1974; his D.T.C.D. (Post Graduate Diploma in Chest Diseases) degree from Delhi University, V.P. Chest Institute, Delhi, India, in 1971; M.B.B.S. (Bachelor of Medicine and Bachelor of Surgery equivalent to an M.D. degree in the U.S.) from the Armed Forces Medical College, Poona, India, in 1967; and a B.S. with Chemistry degree from Agra University, Aligarh, India, in 1962.

***Julius A. Vida, Ph.D.***

Dr. Vida, 80, has been a director of Spectrum since April 2003. Since 1993, Dr. Vida has been a self-employed pharmaceutical consultant with VIDA International Pharmaceutical Consultants. From 1975 until his retirement in 1993, Dr. Vida held various positions at Bristol-Myers Squibb and its predecessors. From 1991 to 1993, Dr. Vida was Vice President, Business Development, Licensing and Strategic Planning, and from 1985 to 1991, he was Vice President, Licensing. Dr. Vida serves as a member of the Board of Directors of Medarex, Inc., a NASDAQ listed company focused on the discovery and development of human antibody-based therapeutic products and FibroGen, Inc., a private pharmaceutical company. Dr. Vida graduated from Pazmany Peter University, Budapest, Hungary, holds an M.S. and a Ph.D. in Organic Chemistry from Carnegie Institute of Technology, was a R.B. Woodward Postdoctoral Fellow at Harvard University, and holds an M.B.A. from Columbia University.

**Table of Contents****Director Compensation**

The following table shows fiscal 2008 compensation for our non-employee directors.

<b>Name</b>	<b>Fees Earned or Paid in Cash (1)(\$)</b>	<b>Stock Awards (2)(\$)</b>	<b>Option Awards (2)(\$)</b>	<b>Total (\$)</b>
Mitchell P. Cybulski	42,500	6,825	53,667	102,992
Richard D. Fulmer	45,000	12,036	84,694	141,730
Stuart M. Krassner	42,500	12,036		