



## **ZIOPHARM Oncology**

**ZIOPHARM Oncology, Inc.**  
1180 Avenue of the Americas, 19<sup>th</sup> Floor  
New York, New York 10036

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### **NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

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To the stockholders of ZIOPHARM Oncology, Inc.:

Please take notice that the Annual Meeting of Stockholders of ZIOPHARM Oncology, Inc. (the “**Company**”) will be held, pursuant to due call by the Board of Directors of the Company, at Saybrook Room Yale Club, 50 Vanderbilt Avenue, New York, New York, 10017, on Thursday, June 4, 2009, at 9:00 a.m. Eastern time, or at any adjournment or adjournments thereof, for the purpose of considering and taking appropriate action with respect to the following:

1. To elect eight directors;
2. To approve an amendment to the Company’s 2003 Stock Option Plan to increase the number of shares of common stock reserved for issuance thereunder from 4,002,436 shares to 6,002,436 shares; and
3. To ratify the appointment of Vitale, Caturano & Company, P.C. as the independent registered public accounting firm of the Company for fiscal 2009; and
4. To transact any other business as may properly come before the meeting or any adjournments thereof.

Pursuant to action of the Board of Directors, stockholders of record on April 14, 2009 will be entitled to vote at the Annual Meeting or any adjournments thereof. Your attention is directed to the Proxy Statement accompanying this Notice for a more complete statement of the matters to be considered at the meeting. A copy of the Annual Report for the year ended December 31, 2008 also accompanies this Notice.

By Order of the Board of Directors

ZIOPHARM Oncology, Inc.

Richard Bagley, President,  
Chief Operating Officer  
and Chief Financial Officer

Approximate Date of Mailing of Proxy Materials:  
April 20, 2009

**Important Notice Regarding the Availability of Proxy Materials for the  
Annual Meeting of Stockholders to be Held June 4, 2009**

The following materials, also included with this Notice, are available for view on the Internet:

- Proxy Statement for the Annual Meeting of Stockholders
- Annual Report to Stockholders, including Form 10-K, for the year ended December 31, 2008

To view the Proxy Statement or Annual Report to Stockholders, visit:

*<http://www.vfnotice.com/ziopharm/>*

*Please refer to the enclosed proxy card and the attached proxy statement  
for information on voting options: Internet — Telephone — Mail*

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## **ZIOPHARM Oncology**

**Proxy Statement**  
**of**  
**ZIOPHARM Oncology, Inc.**  
1180 Avenue of the Americas, 19<sup>th</sup> Floor  
New York, New York 10036

**Annual Meeting of Stockholders**  
**to be held**  
**June 4, 2009**

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### **VOTING BY PROXY AND REVOCATION OF PROXIES**

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors of ZIOPHARM Oncology, Inc. (periodically referred to in this proxy statement as the “**Company**”) to be used at the annual meeting of our stockholders to be held at Saybrook Room Yale Club, 50 Vanderbilt Avenue, New York, New York, 10017, on Thursday, June 4, 2009, at 9:00 a.m. Eastern time, or at any adjournment or adjournments thereof, for the purpose of considering and taking appropriate action with respect to the following:

1. To elect eight directors;
2. To approve an amendment to the Company's 2003 Stock Option Plan to increase the number of shares of common stock reserved for issuance thereunder from 4,002,436 shares to 6,002,436 shares;
3. To ratify the appointment of Vitale, Caturano & Company, P.C. as the independent registered public accounting firm of the Company for fiscal 2009; and
4. To transact any other business as may properly come before the meeting or any adjournments thereof.

The approximate date on which this proxy statement and the accompanying proxy were first sent or given to stockholders was April 20, 2009.

## VOTING PROCEDURES

Registered stockholders may vote in one of three ways: By completing and returning the enclosed proxy card via regular mail or by voting via the Internet or telephone, as permitted by Delaware law. Specific instructions for using these methods are set forth on the enclosed proxy card. The Internet and telephone procedures are designed to authenticate the stockholder's identity and to allow stockholders to vote their shares and confirm that their instructions have been properly recorded.

Only holders of record of the Company's common stock at the close of business on April 14, 2009, the "Record Date" for the annual meeting, are entitled to notice of and to vote at the annual meeting. On the Record Date, there were 21,848,464 shares of the Company's common stock outstanding. Each share of common stock entitles the holder thereof to one vote upon each matter to be presented at the annual meeting. A quorum, consisting of a majority of the outstanding shares of the common stock entitled to vote at the annual meeting, must be present in person or represented by proxy before action may be taken at the annual meeting.

Each proxy returned to the Company will be voted in accordance with the instructions indicated thereon. Shares will be voted in the manner directed by the stockholders; provided, however, that if no direction is given by a stockholder, the shares will be voted as recommended by the Company's Board of Directors. If a stockholder abstains from voting on any matter, the abstention will be counted for purposes of determining whether a quorum is present at the annual meeting for the transaction of business as well as shares entitled to vote on that matter. Under Section 216 of the Delaware General Corporation Law, on matters other than the election of directors, an action of the stockholders generally requires the affirmative vote of a majority of shares present in person or represented by proxy at the meeting and entitled to vote on the matter. Accordingly, an abstention on any matter other than the election of directors will have the same effect as a vote against that matter. A non-vote occurs when a nominee holding shares for a beneficial owner votes on one proposal, but does not vote on another proposal because the nominee does not have discretionary voting power and has not received instructions from the beneficial owner. Broker non-votes on a matter are counted as present for purposes of establishing a quorum for the meeting, but are not considered entitled to vote on that particular matter. Consequently, non-votes generally do not have the same effect as a negative vote on the matter.

A stockholder giving a proxy may revoke it at any time before it is exercised by (i) giving written notice of revocation to the Chief Financial Officer of the Company, (ii) delivering a duly executed proxy bearing a later date, or (iii) voting in person at the annual meeting. Presence at the annual meeting of a stockholder who has signed a proxy does not, alone, revoke that proxy; revocation must be announced by the stockholder at the time of the meeting.

The election of each director under Proposal One requires the affirmative vote of the holders of a plurality of the shares of the Company's common stock present in person or represented by proxy at the annual meeting. Adoption of each other proposal requires the affirmative vote of the holders of a majority of such shares. **The Board of Directors unanimously recommends that you vote "FOR" each of the proposals set forth above.**

While the Board of Directors knows of no other matters to be presented at the annual meeting or any adjournment thereof, all proxies returned to the Company will be voted on any such matter in accordance with the judgment of the proxy holders.

## ELECTION OF DIRECTORS (Proposal One)

The Board of Directors currently consists of eight directors, each of whom has been nominated for re-election by the Board of Directors. If re-elected, each nominee has consented to serve as a director of the Company, to hold office until the next annual meeting of stockholders, or until his successor is elected and shall have qualified. If any director nominee should withdraw or otherwise become unavailable for reasons not presently known, the proxies which would have otherwise been voted for that director nominee may be voted for a substitute director nominee selected by the Company's Board of Directors.

Set forth below is information regarding the individuals nominated for election to the Board of Directors, which includes information furnished by them as to their principal occupations for the last five years, certain other directorships held by them, and their ages as of the date of this proxy statement

| Name and Age of<br>Director and Nominee | Principal Occupation, Business Experience<br>for the Past Five Years and Directorships in Public Companies   | Director<br>Since |
|---|--|-------------------|
| Jonathan Lewis, M.D., Ph.D.<br>Age 50   | Dr. Lewis is Chief Executive Officer and a Director, serving in these capacities since the Company's September 2005 acquisition of ZIOPHARM, Inc. Dr. Lewis previously served as Chief Executive Officer and a Director of ZIOPHARM, Inc. since January 2004. From July 1994 until June 2001, Dr. Lewis served as Professor of Surgery and Medicine at Memorial Sloan-Kettering Cancer Center. He has been actively involved in leading translational and clinical research in cancer, and is widely recognized by patient advocacy groups. He has received numerous honors and awards in medicine and science, including the ASCO young investigator award, the Yale University Ohse award, and the Royal College of Surgeons Trubshaw Medal. He served as Chief Medical Officer and Chairman of the Medical Board at Antigenics, Inc. from June 2000 until November 2003. He serves as a Director on the Board of POPPA (the Police Organization Providing Peer Assistance) of the New York Police Department (NYPD) and on the Medical Advisory Board of the Sarcoma Foundation of America.   | 2005              |
| Richard E. Bagley<br>Age 65             | Mr. Bagley is President, Chief Operating Officer, Chief Financial Officer, Treasurer and a Director, serving in these capacities since the Company's September 2005 acquisition of ZIOPHARM, Inc. Mr. Bagley previously served ZIOPHARM, Inc. as its President and Chief Operating Officer since July 2004, as a Director since December 2004 and as Chief Financial Officer and Treasurer since March 2005. Mr. Bagley initiated a career in pharmaceuticals in 1968 with Smith Kline and French Laboratories, leaving in 1985 after launching Tagamet in the U.S. as Vice President for Product Management and serving as President in the over-the-counter/consumer group. From 1985-1990, Mr. Bagley served in several capacities at Squibb Corporation including as President of E. R. Squibb & Sons, U.S. in 1988 and 1989. He subsequently worked in the biotechnology industry as Director, Chief Executive Officer and President of ImmuLogic Pharmaceutical Corporation from 1990 to 1994, as Director, Chief Executive Officer and Chairman of ProScript, Inc. from 1994 to 1998, as Director, President and Chief Executive Officer of AltaRex Corp. from 1998 to May 2003, and thereafter as a part time consultant and senior advisor. | 2005              |

| Name and Age of Director and Nominee | Principal Occupation, Business Experience for the Past Five Years and Directorships in Public Companies   | Director Since |
|--------------------------------------|---|----------------|
| Murray Brennan, M.D.<br>Age 68       | <p>Dr. Brennan has been a Director of the Company since its September 2005 acquisition of ZIOPHARM, Inc. and previously served as a Director of ZIOPHARM, Inc. since December 2004. Dr. Brennan is Emeritus Chairman of Memorial Sloan-Kettering's Department of Surgery and previously served as Chairman since 1985. Dr. Brennan is the Benno C. Schmidt Chair in Clinical Oncology at the Memorial Sloan Kettering Cancer Center and continues to operate at this institution. He actively lectures at major institutions throughout the world and has authored or co-authored more than 1000 scientific papers. He previously served as Director of the American Board of Surgery, Chairman of the American College of Surgeons Commission on Cancer, President of the Society of Surgical Oncology, President of the American Surgical Association, President of the Society of Clinical Surgery and Vice President of the American College of Surgeons. Dr. Brennan is a member of the Institute of Medicine of The National Academy of Sciences. He is the recipient of numerous honors, honorary degrees and fellowships for his leadership role in surgery and oncology worldwide. Dr. Brennan serves as a non-executive Director on the Board of QSII (a medical information company) and as a member of their compensation committee. He also serves on the Board of the de Beaumont Foundation, a charitable foundation designed to support public health in the United States and elsewhere.</p> | 2005           |
| James A. Cannon<br>Age 70            | <p>James (Jim) Cannon has been a Director of the Company since its September 2005 acquisition of ZIOPHARM, Inc. and previously served as a Director of ZIOPHARM, Inc. since December 2004. Mr. Cannon is Vice Chairman, Chief Financial Officer and a member of the Board of Directors of BBDO Worldwide. In these capacities, he oversees the financial management of BBDO operations in 77 countries. Jim joined BBDO in 1967, was promoted to Chief Financial Officer of the agency in 1984, and was elected to its Board of Directors one year later. An integral member of the team that formed Omnicom via a unique three-agency merger of BBDO, DDB and Needham Harper &amp; Steers, Jim became Comptroller of the new group (NYSE: OMC) and a member of its Board of Directors in 1986, a position he held through 2002. In 1987, he was appointed Director of Financial Operations of the Omnicom Group, serving in this capacity until early 1989 when he rejoined BBDO Worldwide as Executive Vice President and Chief Financial Officer. His return was concurrent with that of Allen Rosenshine who became Chairman and Chief Executive officer of BBDO after heading Omnicom. Jim was promoted to Vice Chairman of the agency in 1990. Jim is a graduate of Pace University and served in the US Marine Corps.</p>  | 2005           |

| Name and Age of Director and Nominee      | Principal Occupation, Business Experience for the Past Five Years and Directorships in Public Companies  | Director Since |
|---|--|----------------|
| Senator Wyche Fowler, Jr., J.D.<br>Age 68 | Senator Wyche Fowler, Jr. has been a Director of the Company since its September 2005 acquisition of ZIOPHARM, Inc. and previously served as a Director of ZIOPHARM, Inc. since December 2004. Senator Fowler served for 16 years in the United States Congress. In the US Senate, he served as assistant floor leader, helping mould a bipartisan consensus for major public policy issues. Senator Fowler was a member of the Senate Appropriations, Budget, Energy and Agriculture Committees. First elected to the US House of Representatives, he was a member of the Ways and Means and Foreign Affairs Committees, as well as the Select Committee on Intelligence. President Clinton appointed Senator Fowler US Ambassador to the Kingdom of Saudi Arabia from 1996 through 2001. On his return, the FBI awarded him its highest civilian honor, The Jefferson Cup, for his assistance in combating terrorism and for helping solve terrorism crimes against the US military in Saudi Arabia. He was named Lion of Judah by the State of Israel for successfully freeing Soviet Jew Yakov Gluzman. Senator Fowler is now engaged in an international business and law practice, and also serves as Chairman of the Board of the Middle East Institute, a non-profit foundation in Washington, DC. | 2005           |
| Gary S. Fragin<br>Age 62                  | Gary S. Fragin has been a Director of the Company since its September 2005 acquisition of ZIOPHARM, Inc. and previously served as a Director of ZIOPHARM, Inc. since December 2004. Mr. Fragin has more than 30 years of experience on Wall Street. He is currently managing partner of Fragin Asset Management, L.P. and General Partner of Ducat Investment Group, L.P. Mr. Fragin was the general partner and Chief Administrative / Operating Officer of Steinhardt Organization, one of the largest and most successful hedge funds in existence at that time. Prior to that, Mr. Fragin was a Partner, Director of Trading, and member of the Management Committee and Executive Committee at Oppenheimer and Co. He holds a BE degree from Vanderbilt University, and an MBA from Columbia University.  | 2005           |

| Name and Age of Director and Nominee  | Principal Occupation, Business Experience for the Past Five Years and Directorships in Public Companies  | Director Since |
|---------------------------------------|--|----------------|
| Timothy McInerney<br>Age 48           | Timothy McInerney has been a Director of the Company since its September 2005 acquisition of ZIOPHARM, Inc. and previously served as a Director of ZIOPHARM, Inc. since July 2005. In June of 2007, Mr. McInerney joined Riverbank Capital who specializes in financing for the biotech and specialty pharmaceutical industry as a Partner. From 1992 to March 2007, Mr. McInerney was a Managing Director of Paramount BioCapital, Inc. where he oversaw the overall distribution of Paramount's private equity product. Prior to 1992, Mr. McInerney was a research analyst focusing on the biotechnology industry at Ladenburg, Thalman & Co. Prior to that, Mr. McInerney held equity sales positions at Bear Sterns & Co. and Shearson Lehman Brothers, Inc. Mr. McInerney also has worked in sales and marketing for Bristol-Myers Squibb. He received his B.S. in pharmacy from St. John's University at New York. He also completed a post-graduate residency at the New York University Medical Center in drug information systems.   | 2005           |
| Michael Weiser, M.D., Ph.D.<br>Age 46 | Dr. Weiser has been a Director of the Company since its September 2005 acquisition of ZIOPHARM, Inc. and previously served as a Director of ZIOPHARM, Inc. since its inception in September 2003. Dr. Weiser is currently founder and co-chairman of Actin Biomed, a New York based healthcare investment firm. Prior to joining Actin, Dr. Weiser was the Director of Research of Paramount BioCapital, Inc. Dr. Weiser completed his Ph.D. in Molecular Neurobiology at Cornell University Medical College and received his M.D. from New York University School of Medicine. He performed his post-graduate medical training in the Department of Obstetrics and Gynecology at New York University Medical Center. Dr. Weiser also completed a Postdoctoral Fellowship in the Department of Physiology and Neuroscience at New York University School of Medicine and received his B.A. in Psychology from University of Vermont. Dr. Weiser is a member of The National Medical Honor Society, Alpha Omega Alpha. Dr. Weiser currently serves on the board of directors of Manhattan Pharmaceuticals, Inc., Chelsea Therapeutics International, Ltd., Emisphere Technologies, Inc., Hana Biosciences, Inc. and Vioquest Pharmaceuticals, Inc. as well as several privately held companies. | 2005           |



## EXECUTIVE OFFICERS AND COMPENSATION

### Executive Officers of the Company

| Name and Title   | Age | Principal Occupation, Business Experience<br>for the Past Five Years and Directorships in Public Companies |
|--|-----|--|
| Jonathan Lewis, M.D., Ph.D.<br>Chief Executive Officer                                 | 50  | See “Election of Directors (Proposal One)” — above.  |
| Richard E. Bagley<br>President, Chief Operating Officer<br>and Chief Financial Officer | 65  | See “Election of Directors (Proposal One)” — above.  |

### Summary Compensation Table

The table below summarizes the total compensation paid or earned during the fiscal years ended December 31, 2008, 2007 and 2006 by (i) each individual serving as our principal executive officer during the fiscal years ended December 31, 2008; and (ii) the two other most highly compensated individuals who served as an executive officer of the Company as of December 31, 2008 and whose total compensation received from the Company during such fiscal year (other than non-qualified deferred compensation earnings, if any) exceeded \$100,000 (collectively, the “named executives”).

| Name and Principal Position  | Year | Salary    | Bonus                     | Restricted Stock Awards <sup>(1)</sup> | Stock Option Grants <sup>(1)</sup> | All Other Compensation | Total     |
|--|------|-----------|---------------------------|--|------------------------------------|------------------------|-----------|
| Jonathan Lewis, M.D., Ph.D.<br>Chief Executive Officer   | 2008 | \$419,215 | \$ 250,000 <sup>(3)</sup> | \$115,375 <sup>(5)</sup>               | \$ 155,561 <sup>(6)</sup>          | \$5,169 <sup>(8)</sup> | \$945,320 |
|  | 2007 | \$385,000 | \$ 315,000 <sup>(4)</sup> | \$ —                                   | \$ 77,759 <sup>(7)</sup>           | \$5,289 <sup>(9)</sup> | \$783,048 |
| Richard E. Bagley<br>President, Chief Operating Officer and<br>Chief Financial Officer                                   | 2008 | \$308,750 | \$ 50,000 <sup>(10)</sup> | \$ 68,071 <sup>(12)</sup>              | \$127,343 <sup>(14)</sup>          | \$ —                   | \$554,164 |
|  | 2007 | \$275,000 | \$105,000 <sup>(11)</sup> | \$ 3,302 <sup>(13)</sup>               | \$144,431 <sup>(15)</sup>          | \$ —                   | \$527,733 |
| Brian Schwartz, M.D. <sup>(2)</sup><br>Former Senior Vice President, Medical and<br>Regulatory and Chief Medical Officer | 2008 | \$170,392 | \$ —                      | \$ (3,302) <sup>(17)</sup>             | \$ 86,970 <sup>(19)</sup>          | \$ —                   | \$254,060 |
|  | 2007 | \$284,630 | \$130,000 <sup>(16)</sup> | \$ 3,302 <sup>(18)</sup>               | \$183,233 <sup>(20)</sup>          | \$ —                   | \$601,165 |

- (1) Amounts listed reflect the dollar amounts related to stock awards and option awards, as applicable, recognized for financial statement reporting purposes with respect to the fiscal years ended December 31, 2008, 2007 and 2006, respectively, in accordance with FAS 123(R) (disregarding the estimate of forfeitures related to service-based vesting conditions). Therefore, amounts listed may include amounts related to awards granted in and prior to such fiscal years. Assumptions used in the calculation of this amount are included in footnote 2 to the Company’s audited financial statements for the fiscal year ended December 31, 2008, which are contained in the Company’s Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 23, 2009.
- (2) Dr. Schwartz commenced employment with us in June 2006 and terminated his employment effective July 11, 2008.
- (3) Includes an annual guaranteed bonus of \$250,000 required under the terms of Dr. Lewis’ employment agreement with the Company for work performed in fiscal 2007.
- (4) Includes an annual guaranteed bonus of \$250,000 required under the terms of Dr. Lewis’ employment agreement with the Company for work performed in fiscal 2006 and an additional \$65,000 discretionary bonus approved by the compensation committee based on Dr. Lewis’ fiscal 2007 job performance.
- (5) On January 8, 2008, the Company awarded Dr. Lewis 100,000 shares of the Company’s common stock with transfer and forfeiture restrictions. The stock vests and the restrictions lapse in annual installments over three years commencing on the one year anniversary of the grant date. On December 3, 2008, the Company awarded Dr. Lewis 150,000 shares of the Company’s common stock with transfer and forfeiture restrictions. The stock vests and the restrictions lapse on the one year anniversary of the grant date.
- (6) During fiscal 2008, no stock options were granted to Dr. Lewis.
- (7) During fiscal 2007, the Company granted Dr. Lewis options to purchase 135,000 shares of the Company’s common stock as follows: (i) options to purchase 35,000 shares of common stock at a per share exercise price of \$4.85 were granted on June 18, 2007; and (ii) options to purchase 100,000 shares of

common stock at a per share exercise price of \$2.73 were granted on December 12, 2007. Such options vest in annual installments over three years commencing on the one year anniversary of the grant date.

- (8) Amount represents the dollar value of life insurance premiums paid by the Company for the benefit of Dr. Lewis during fiscal 2008.
- (9) Amount represents the dollar value of life insurance premiums paid by the Company for the benefit of Dr. Lewis during fiscal 2007.
- (10) Includes an annual guaranteed bonus of \$50,000 required under Mr. Bagley's employment agreement with the Company for work performed for the period of July 2007 to July 2008.
- (11) Includes an annual guaranteed bonus of \$50,000 required under Mr. Bagley's employment agreement with the Company for work performed for the period of July 2006 to July 2007 and an additional \$55,000 discretionary bonus approved by the compensation committee based on Mr. Bagley's fiscal 2007 job performance.
- (12) On December 3, 2008, the Company awarded Mr. Bagley 50,000 shares of the Company's common stock with transfer and forfeiture restrictions. The stock vests and the restrictions lapse on the one year anniversary of the grant date.
- (13) Reflects 25,000 shares of restricted stock that were granted to Mr. Bagley on December 12, 2007. Such shares are subject to transfer and forfeiture restrictions that lapse in their entirety on December 1, 2008.
- (14) On June 25, 2008, the Company granted Mr. Bagley options to purchase 60,000 shares of the Company's common stock at a per share exercise price of \$2.14. Such options vest in annual installments over three years commencing on the one year anniversary of the grant date.
- (15) During fiscal 2007, the Company granted Mr. Bagley options to purchase 100,000 shares of the Company's common stock as follows: (i) options to purchase 25,000 shares of common stock at a per share exercise price of \$4.85 were granted on June 18, 2007; and (ii) options to purchase 75,000 shares of common stock at a per share exercise price of \$2.73 were granted on December 12, 2007. Such options vest in annual installments over three years commencing on the one year anniversary of the grant date.
- (16) Includes a guaranteed bonus of \$40,000 required under Dr. Schwartz's employment agreement with the Company for work performed during his first full year of employment and an additional \$90,000 discretionary bonus approved by the compensation committee based on Dr. Schwartz's fiscal 2007 job performance.
- (17) During fiscal 2008, no restricted stock was awarded to Dr. Schwartz. The amount reflects an expense reversal for unvested shares of restricted stock granted to Dr. Schwartz on December 12, 2007 that were forfeited upon termination of his employment with the Company in July 2008.
- (18) Reflects expense incurred in connection with 25,000 shares of restricted stock that were granted to Dr. Schwartz on December 12, 2007. Such shares were subject to transfer and forfeiture restrictions that were scheduled to lapse in their entirety on December 1, 2008. All such shares were forfeited by Dr. Schwartz upon termination of his employment with the Company in July 2008.
- (19) During fiscal 2008, no stock options were granted to Dr. Schwartz. The amount reflects the expense for shares vesting during 2008 prior to Dr. Schwartz leaving the Company and the expense reversal for unvested shares that were forfeited. The details are as follows:

| Grant Date           | No. of Shares | Vesting Period<br>in Years | 2008 Expense | 2008 Expense<br>Reversal for<br>Forfeited<br>Unvested Shares |
|----------------------|---------------|----------------------------|--------------|--|
| 6/1/2006 . . . . .   | 100,000       | 3                          | \$67,976     | \$ —   |
| 12/13/2006 . . . . . | 15,000        | 3                          | \$ —         | \$ —   |
| 6/18/2007 . . . . .  | 35,000        | 3                          | \$20,615     | \$ —   |
| 12/12/2007 . . . . . | 50,000        | 3                          | \$ —         | \$(1,621)  |

- (20) During fiscal 2007, the Company granted Dr. Schwartz options to purchase 85,000 shares of the Company's common stock as follows: (i) options to purchase 35,000 shares of common stock at a per share exercise price of \$4.85 were granted on June 18, 2007; and (ii) options to purchase 50,000 shares of common stock at a per share exercise price of \$2.73 were granted on December 12, 2007. Such options vest in annual installments over three years commencing on the one year anniversary of the date of grant.