

OPEXA THERAPEUTICS, INC.

FORM 10-Q (Quarterly Report)

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Address	2635 TECHNOLOGY FOREST BLVD. THE WOODLANDS, TX 77381
Telephone	(281) 272-9331
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Industry	Biotechnology & Drugs
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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Quarterly Period Ended March 31, 2008

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Transition Period from _____ to _____

Commission File Number: 001-33004



Opexa Therapeutics, Inc.

(Exact name of registrant as specified in its charter)

Texas
(State or other jurisdiction of
Incorporation or organization)

2635 North Crescent Ridge Drive
The Woodlands, Texas 77381
(Address of principal executive

76-0333165
(I.R.S. Employer
Identification No.)

(281) 272-9331
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 a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐
Non-accelerated filer ☐

(Do not check if a smaller reporting company)

Accelerated filer ☐
Smaller reporting company ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of May 12, 2008, there were outstanding 10,196,784 shares of the issuer's Common Stock outstanding.

OPEXA THERAPEUTICS, INC.
(A development stage company)

For the Quarter Ended March 31, 2008

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

OPEXA THERAPEUTICS, INC.
(a development stage company)
BALANCE SHEETS

	March 31, 2008	December 31, 2007
Assets		
Current assets:		
Cash and cash equivalents	\$ 6,325,990	\$ 2,645,482
Other current assets	176,381	355,266
Total current assets	<u>6,502,371</u>	<u>3,000,748</u>
Property & equipment, net of accumulated depreciation of \$672,357 and \$614,079 respectively	1,321,310	1,370,647
Total assets	<u>\$ 7,823,681</u>	<u>\$ 4,371,395</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 773,330	\$ 938,442
Accounts payable - related parties	99,433	54,091
Accrued expenses	928,479	1,022,461
Current maturity of loan payable	61,531	60,360
Total current liabilities	<u>1,862,773</u>	<u>2,075,354</u>
Long term liabilities:		
Loan payable	147,274	162,456
Total liabilities	<u>2,010,047</u>	<u>2,237,810</u>
Commitments and contingencies	-	-
Stockholders' equity:		
Convertible preferred stock, no par value, 10,000,000 shares authorized, none issued and outstanding	-	-
Common stock, \$0.50 par value, 100,000,000 shares authorized, 10,196,784 and 6,696,784 shares issued and outstanding, respectively	5,098,351	3,348,351
Additional paid in capital	81,530,133	76,498,054
Deficit accumulated during the development stage	<u>(80,814,850)</u>	<u>(77,712,820)</u>
Total stockholders' equity	<u>5,813,634</u>	<u>2,133,585</u>
Total liabilities and stockholders' equity	<u>\$ 7,823,681</u>	<u>\$ 4,371,395</u>

See accompanying notes to consolidated financial statements

OPEXA THERAPEUTICS, INC.
(a development stage company)
STATEMENTS OF EXPENSES
Three months ended March 31, 2008 and 2007 and the
Period from January 22, 2003 (Inception) to March 31, 2008
(unaudited)

	Three Months Ended March 31,		Inception through
	2008	2007	March 31, 2008
Research and development	\$ 2,373,936	\$ 3,247,466	\$ 56,131,473
General and administrative	709,517	849,786	18,334,292
Depreciation	58,277	48,831	576,487
Loss on disposal of assets	-	-	495,501
Operating loss	(3,141,730)	(4,146,083)	(75,537,753)
Interest income	37,709	178,823	1,291,535
Other income and expense, net	8,317	-	80,320
Gain on extinguishment of debt	-	-	1,612,440
Interest expense	(6,326)	(2,453)	(8,261,392)
Net loss	<u>\$ (3,102,030)</u>	<u>\$ (3,969,713)</u>	<u>\$ (80,814,850)</u>
Basic and diluted loss per share	\$ (0.37)	\$ (0.59)	N/A
Weighted average shares outstanding	8,312,169	6,696,784	N/A

See accompanying notes to consolidated financial statements

OPEXA THERAPEUTICS, INC.
(a development stage company)
STATEMENTS OF CASH FLOWS
Three months ended March 31, 2008 and 2007 and the
Period from January 22, 2003 (Inception) to March 31, 2008
(unaudited)

	Three Months Ended March 31,		Inception through March 31, 2008
	2008	2007	
Cash flows from operating activities			
Net loss	\$ (3,102,030)	\$ (3,969,713)	\$ (80,814,850)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities			
Stock payable for acquired research and development	-	-	112,440
Stock issued for acquired research and development	-	-	26,286,589
Stock issued for services	-	-	1,861,400
Stock issued for debt in excess of principal	-	-	109,070
Amortization of discount on notes payable due to warrants and beneficial conversion feature	-	-	6,313,205
Realized gain on marketable securities	-	25,912	-
Gain on extinguishment of debt	-	-	(1,612,440)
Depreciation	58,277	48,831	576,487
Debt financing costs	-	-	365,910
Option and warrant expense	409,682	723,392	12,434,605
Loss on disposition of fixed assets	-	-	495,501
Changes in:			-
Marketable securities	-	2,926,184	-
Prepaid and other expenses	178,885	(309,156)	(593,054)
Accounts payable	(119,770)	236,411	423,122
Accrued expenses	(93,982)	371,233	801,825
Net cash provided by (used in) operating activities	<u>(2,668,938)</u>	<u>53,094</u>	<u>(33,240,190)</u>
Cash flows from investing activities			
Purchase of property & equipment	(8,940)	(61,218)	(1,315,411)
Net cash used in investing activities	<u>(8,940)</u>	<u>(61,218)</u>	<u>(1,315,411)</u>
Cash flows from financing activities			
Common stock sold for cash, net of offering costs	6,372,397	-	32,882,134
Common stock repurchased and canceled	-	-	(325)
Proceeds from debt	-	49,049	8,102,199
Repayments on notes payable	(14,011)	-	(102,417)
Net cash provided by financing activities	<u>6,358,386</u>	<u>49,049</u>	<u>40,881,591</u>
Net change in cash and cash equivalents	3,680,508	40,925	6,325,990
Cash and cash equivalents at beginning of period	2,645,482	12,019,914	-
Cash and cash equivalents at end of period	<u>\$ 6,325,990</u>	<u>\$ 12,060,839</u>	<u>\$ 6,325,990</u>

Cash paid for:				
Income tax	\$	-	\$	-
Interest		-	-	429
NON-CASH TRANSACTIONS				
Issuance of common stock to Sportan shareholders		-	-	147,733
Issuance of common stock for accrued interest		-	-	525,513
Conversion of notes payable to common stock		-	-	6,407,980
Conversion of accrued liabilities to common stock		-	-	197,176
Conversion of accounts payable to note payable		-	-	93,364
Discount on convertible notes relating to:				
- warrants		-	-	3,309,790
- beneficial conversion feature		-	-	1,715,973
- stock attached to notes		-	-	1,287,440
Reclassification of derivative liabilities			6,656,677	-

See accompanying notes to consolidated financial statements

OPEXA THERAPEUTICS, INC.
(a development stage company)
NOTES TO FINANCIAL STATEMENTS
(unaudited)

Note 1. Basis of Presentation

The accompanying unaudited interim financial statements of Opexa Therapeutics, Inc., a development stage company, have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission and should be read in conjunction with the audited financial statements and notes thereto contained in Opexa's latest Annual Report filed with the SEC on Form 10-K. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements that would substantially duplicate the disclosure contained in the audited financial statements for the most recent fiscal year as reported in Form 10-K, have been omitted.

Note 2. Going Concern

Opexa incurred a net loss of approximately \$3.1 million for the three months ended March 31, 2008 and has an accumulated deficit of approximately \$80.8 million. The cash balance of \$6.3 million as of March 31, 2008 is not sufficient to fund our operations for the next twelve months if we are to execute our operating plan including the completion of our Phase IIb clinical trial of Tovaxin for the treatment of multiple sclerosis ("MS") and continue with the next phase of development. These conditions raise substantial doubt as to Opexa's ability to continue as a going concern. Management continues to seek means to raise additional capital through sales of equity. The financial statements do not include any adjustments that might be necessary if Opexa is unable to continue as a going concern.

Note 3. Marketable Securities

Opexa considers all highly liquid investments with an original maturity of three months or less, when purchased, to be cash equivalents. Investments with maturities in excess of three months but less than one year are classified as short-term investments and are stated at fair market value.

At March 31, 2008, Opexa invested \$6.3 million in a money market account with an average market yield of 3.3%. Interest income of \$37,709 was recognized for the three months ended March 31, 2008 in the statements of expenses. As of March 31, 2008, the Company held no auction rate securities.

Note 4. Commitments and Contingencies

In September 2006, Opexa entered into an Individual Project Agreement (IPA) with PharmaNet, LLC (PharmaNet), a contract research organization focused on managing central nervous system clinical trials. Pursuant to such IPA, PharmaNet, LLC will provide Opexa with services in connection with its Phase IIb clinical trial. Under the terms of the IPA, Opexa is required to advance funds in the amount of (i) \$400,000 for professional fees, (ii) \$60,000 for out of pocket expenses and (iii) \$175,000 for investigator grants. The professional fee advance is applied 1/12th per month to invoices and replenished once 75% depleted. The out of pocket advance will be held and applied to the final invoice. In March 2008 PharmaNet agreed to revise the professional fee advance to \$300,000 to be applied 1/6th per month to invoices and replenished once 75% depleted. Also in March 2008, PharmaNet agreed to waive the \$175,000 investigator grant advance and in return Opexa will pay the invoice in full within 30 days of receipt. This process will continue until the end of the study. At the conclusion of the program, advance balances remaining will be applied to outstanding invoices. These advances are treated as prepaid items and included in the other current assets section of the balance sheet. As of March 31, 2008, the advance balance to PharmaNet, LLC was \$93,338.

In July 2007, Opexa entered into a seconded amended and restated license agreement with the University of Chicago that requires Opexa to make milestone payments of up to \$1,350,000 if certain late stage clinical trial and FDA approval milestones are achieved. Opexa has determined that these payments are not probable at this time and thus no liability has been recorded as of March 31, 2008.

Note 5. Loan Payable

Loan payable consists of an equipment line of \$250,000 with Wells Fargo Bank of which \$208,805 was outstanding as of March 31, 2008. This loan has an interest rate of 7.61% per annum, matures in May 2011 and is secured by Opexa's furniture and equipment purchased with the loan proceeds. Payments are due and payable monthly on the same day of each month until maturity.

Note 6. Equity

On February 13, 2008, Opexa entered into an Underwriting Agreement with MDB Capital Group LLC, for itself and as representative of several underwriters, relating to the public offering of 3,500,000 shares of Opexa's common stock and 3,500,000 Series E warrants, each warrant to purchase one share of common stock at an exercise price of \$2.00 per share. Pursuant to the Underwriting Agreement, Opexa granted the underwriters a 30-day option to purchase up to an additional 525,000 shares of common stock and 525,000 warrants to cover over-allotments. The closing for the sale of shares of common stock and warrants took place on February 19, 2008. The underwriters exercised their over-allotment option as to the warrants only, and Opexa sold an aggregate of 3,500,000 shares and 4,025,000 warrants.

The public offering price for each share was \$2.00, and the public offering price for each warrant was \$0.15. Each share and each warrant was sold to the underwriters at the public offering price of each security less an underwriting discount of 10%. The Company received approximately \$7.6 million in gross proceeds from the offering. The Company also paid the underwriters 1% of the gross proceeds of the offering (excluding the over-allotment option) as an expense allowance. The net proceeds to Opexa, after underwriter discounts, commissions and other expenses, was approximately \$6.4 million. As additional compensation, the Company issued warrants to the underwriter to purchase 350,000 shares of common stock at a price of \$2.40 per share and an option to acquire 350,000 Series E warrants at a price of \$0.18 per Series E warrant.

Note 7. Options and Warrants

During the first quarter of 2008, there were no options or warrants granted to either employees or consultants.

Option expense of \$409,682 was recorded during the three months ended March 31, 2008 related to prior period grants.

In connection with the closing of our February 19, 2008 public offering of common shares, the investors were issued five-year warrants to purchase up to an aggregate of 4,025,000 shares of our common stock, at an initial exercise price of \$2.00 per share and a market price of \$0.15 per warrant was used to assign fair value of the warrants for a total fair value of \$603,750.

As additional compensation, the Company issued warrants to the underwriter to purchase 350,000 shares of common stock at a price of \$2.40 per share and an option to acquire 350,000 Series E warrants at a price of \$0.18 per Series E warrant. The estimated fair value of the underwriter warrants was \$319,436 and was calculated using the Black-Scholes valuation model. The following assumptions were used: (i) no expected dividends, (ii) risk free interest rate of 2.93%, (iii) expected volatility of 97.67%, and (iv) expected life of 3 years.

The fair value of warrants granted in the first quarter of 2008 was included in additional paid-in capital along with the proceeds from issuance of common stock.

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

The following discussion of our financial condition and results of operations should be read in conjunction with the accompanying financial statements and the related footnotes thereto.

Forward-Looking Statements

Some of the statements contained in this report discuss future expectations, contain projections of results of operations or financial condition, or state other "forward-looking" information. The words "believe," "intend," "plan," "expect," "anticipate," "estimate," "project," "goal" and similar expressions identify such statement was made. These statements are subject to known and unknown risks, uncertainties, and other factors that could cause the actual results to differ materially from those contemplated by the statements. The forward-looking information is based on various factors and is derived using numerous assumptions. Factors that might cause or contribute to such a discrepancy include, but are not limited to the risks discussed in this and our other SEC filings. We do not promise to update forward-looking information to reflect actual results or changes in assumptions or other factors that could affect those statements. Future events and actual results could differ materially from those expressed in, contemplated by, or underlying such forward-looking statements.

The following discussion and analysis of our financial condition is as of March 31, 2008. Our results of operations and cash flows should be read in conjunction with our unaudited financial statements and notes thereto included elsewhere in this report and the audited financial statements and the notes thereto included in our Form 10-K for the year ended December 31, 2007.

Business Overview

Unless otherwise indicated, we use "Opexa," "the Company," "we," "our" and "us" in this annual report to refer to the businesses of Opexa Therapeutics, Inc.

We are a biopharmaceutical company developing autologous cellular therapies to treat several major illnesses, including multiple sclerosis (MS), rheumatoid arthritis (RA), and diabetes. These therapies are based on our proprietary T-cell and adult stem cell technologies. The information discussed related to our product candidates is preliminary and investigative. Our product candidates are not approved by the Food and Drug Administration (FDA).

T-Cell Therapy

We have an exclusive worldwide license from Baylor College of Medicine (or Baylor) to an individualized T-cell therapeutic vaccine, Tovaxin[®], which is in a United States (U.S.) FDA Phase IIb human clinical trial to evaluate its safety and effectiveness in treating MS.

MS is the result of a person's own T-cells attacking the myelin sheath that coats the nerve cells of the central nervous system (CNS). Tovaxin consists of attenuated patient-specific myelin reactive T-cells (MRTCs) against peptides from one or more of the primary proteins on the surface of the myelin sheath (myelin basic protein (MBP), proteolipid protein (PLP) and myelin oligodendrocyte glycoprotein (MOG)). Patient-specific MRTCs are expanded in culture with specific peptides identified by our proprietary test of the patient's peripheral blood. The cells are then attenuated by gamma irradiation, and returned to the patient as a subcutaneous injection. Although further testing is necessary, results from our initial human trials appear to indicate that these attenuated T-cells cause an immune response directed at the autoreactive T-cells in the patient's body, resulting in a reduction in the level of harmful T-cells.

We believe that our initial human trials suggest that Tovaxin safely induces the depletion and regulation of MRTCs, possibly stabilizing the disease, reducing the annualized relapse rate, and potentially improving the disability scores of patients. Patients treated in a 10-subject, open-label Phase I/II dose escalation clinical trial with Tovaxin have experienced minimal side effects and the "per protocol" analysis of patients treated with Tovaxin achieved a 90% reduction ($p=0.0039$) in annualized relapse rate (ARR). The group treated with the mid dose ($30-45 \times 10^6$ attenuated T-cells) achieved a 100% reduction in ARR. The Phase IIb trial is being conducted with the mid dose. In November 2006, we enrolled the first patient in a double blind, placebo controlled, 150 patient Phase IIb clinical trial. We completed enrollment of all 150 patients in May 2007.

In a one-year, 8-subject extension clinical trial of relapsing remitting (RRMS) and secondary progressive multiple sclerosis (SPMS) subjects, the "per-protocol" analysis of Tovaxin therapy achieved a 92% ($p=0.0078$) reduction in annualized relapse rate (ARR) in subjects who received two treatment doses of $30-45 \times 10^6$ attenuated T-cells eight weeks apart and were monitored for an additional 44 weeks. Subjects in the extension study had previously been treated an average of approximately 5 years earlier at Baylor College of Medicine under the direction of the inventor of Tovaxin Jingwu Zhang, M.D., Ph.D with an early version of the T-cell vaccine.

Preclinical Development

Our Rheumatoid Arthritis (RA) T-cell vaccination (TCV) technology is conceptually similar to Tovaxin. RA is an autoimmune T-cell-mediated disease in which pathogenic T-cells trigger an inflammatory autoimmune response of the synovial joints of the wrists, shoulders, knees, ankles and feet which causes pain, stiffness, and swelling around the joints and erosion into cartilage and bone. Our RA TCV technology allows the isolation of these pathogenic T-cells from synovial fluid drawn from a patient. We can expand and attenuate these T-cells in our laboratory. The attenuated T-cells can then be injected subcutaneously into patients with the goal of inducing an immune response directed at the Pathogenic T-cells in the patient's body. We believe this immune response could reduce the level of pathogenic T-cells and potentially allow the reduction of joint swelling in RA patients.

Stem Cell Therapy

We have developed a proprietary adult stem cell technology to produce monocyte-derived stem cells (MDSC) from blood. These MDSC can be derived from a patient's monocytes, expanded in our laboratories, and then administered to the same patient. We believe that because this is an autologous therapy, there should be no immunological problems. Normally, allogenic cells trigger host immune responses and require the use of anti-rejection drugs.

Our multi-potent stem cell is derived from peripheral blood monocytes which when cultured under defined conditions are able to further differentiate into several cellular lineages. Molecular biology and cellular analysis studies have shown that these MDSCs have specific markers that distinguish them from other stem cells. In addition these studies have also shown a time-dependence for the expression of these markers during the growth and differentiation of MDSCs. *In vitro* experiments with MDSCs have shown their capacity to differentiate as hematopoietic, epithelial, endothelial, endocrine and neuronal cells. Our main focus is the further development of this monocyte-derived stem cell (MDCS) technology as a platform for the *in vitro* generation of highly specialized cells for potential application in autologous cell therapy for patients with diseases such diabetes mellitus and cardiovascular disease.

Other Opportunities

We may conduct basic research to determine the potential use of stem cells and differentiated cells in other indications, such as macular degeneration, stroke, myocardial infarction, wound healing and Parkinson's disease. We will attempt to partner or sublicense some of these indications if they are not pursued for internal development. For those indications where we believe we can participate commercially, we also desire to partner in key commercial markets outside of the U.S.

Critical Accounting Policies

General

Our discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the U.S. The preparation of these consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities and expenses. 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. The Company's significant accounting policies are disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2007. The Company has not materially changed its significant accounting policies.

Results of Operations and Financial Condition

Three Months Ended March 31, 2008 Compared with the Three Months Ended March 31, 2007

Net Sales. We recorded no sales for the three months ended March 31, 2008 and 2007.

Research and Development Expenses. Research and development expense was \$2,373,936 for the three months ended March 31, 2008, compared to \$3,247,466 for the three months ended March 31, 2007. The decrease in expenses was primarily due to the initial enrollment and start-up costs of the Phase IIb clinical trial for Tovaxin recorded in 2007 and a reduction in stock compensation expense. We have made and expect to continue to make substantial investments in research and development in order to develop and market our technology. We expense research and development costs as incurred. Acquired research and development that has no alternative future use is expensed when acquired. Property, plant and equipment for research and development that has an alternative future use is capitalized and the related depreciation is expensed. We expect our research and development expense to increase as we continue to invest in the development of our technology.

General and Administrative Expenses. Our general and administrative expense was \$709,517 for the three months ended March 31, 2008, as compared to \$849,786 for the three months ended March 31, 2007. The decrease in expenses is primarily due to a decrease in stock compensation expense, professional service fees and overhead expenses. We anticipate increases in general and administrative expenses as we continue to develop and expand our product platforms.

Interest Expense. Interest expense was \$6,326 for the three months ended March 31, 2008, compared to \$2,453 for the three months ended March 31, 2007. The increase in interest expense was primarily due to a loan payable consisting of an equipment line of up to \$250,000 with Wells Fargo of which \$208,805 was outstanding as of March 31, 2008.

Interest Income. Interest income was \$37,709 for the three months ended March 31, 2008 compared to \$178,823 for the three months ended March 31, 2007. The decrease was due to the reduction in cash balances that were available for investment in cash equivalent investments and a reduction in interest rates.

Net loss. We had a net loss for the three months ended March 31, 2008, of \$3,102,030, or \$0.37 per share (basic and diluted), compared with a net loss of \$3,969,713 or \$0.59 per share (basic and diluted), for the three months ended March 31, 2007. The decrease in net loss is primarily due to the initial enrollment and start-up costs of the Phase IIB clinical trial for Tovaxin recorded in 2007 and a reduction in stock compensation expense resulting from some existing stock options being fully expensed in 2007 and no new options issued in the current period.

Liquidity and Capital Resources

Changes in cash flow. Cash used in operations for the three month period ended March 31, 2008 was \$2,668,938, as compared to cash provided by operations of \$53,094 for the three months ended March 31, 2007. The increase in cash used in operations is primarily due to the maturity of approximately \$2.9 million in marketable securities in 2007 and its reclassification to cash and cash equivalents. Cash used in investing activities for the three month period ended March 31, 2008 was \$8,940, as compared to \$61,218 for the three months ended March 31, 2007. The decrease was due to a decrease in equipment purchases. Cash provided from financing activities for the three month period ended March 31, 2008 was \$6,358,386, as compared to \$49,049 for the three months ended March 31, 2007. The increase was due to the proceeds from the February 19, 2008 public offering.

Liquidity . Historically, the Company has financed its operations primarily from the sale of its debt and equity securities. As of March 31, 2008, the Company had cash, cash equivalents and marketable securities of approximately \$6.3 million.

Our financing activities generated \$6.4 million for the three months ended March 31, 2008 and resulted from the a public offering in February 2008 of 3,500,000 shares of common stock at a price to the public of \$2.00 per share and 4,025,000 Series E warrants to purchase shares of common stock exercisable at \$2.00 per share at a price of \$0.15 per warrant.

Our current burn rate is approximately \$900,000 per month. Our capital resources at March 31, 2008, will support our operations at current levels through the third quarter of 2008. With the proceeds of the February 2008 offering, we will still need to raise additional capital in fiscal year 2008 to fund our business plan and support our operations beyond early fourth quarter of 2008. As our prospects for funding, if any, develop during the fiscal year, we will assess our business plan and make adjustments accordingly. Although we have successfully funded our operations to date by attracting additional investors in our equity, there is no assurance that our capital raising efforts will be able to attract additional necessary capital for our operations. If we are unable to obtain additional funding for operations at any time now or in the future, we may not be able to continue operations as proposed, requiring us to modify our business plan, curtail various aspects of our operations or cease operations.

Off-Balance Sheet Arrangements

As of March 31, 2008, we had no off-balance sheet arrangements.

Recent Accounting Pronouncements

For the period ended March 31, 2008, there were no other changes to our critical accounting policies as identified in our annual report of Form 10-K for the year ended December 31, 2007.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures.

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit to the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized, and reported within the time periods specified by the Securities and Exchange Commission's rules and forms, and that information is accumulated and communicated to our management, including our principal executive and principal financial officers (whom we refer to in this periodic report as our Certifying Officers), as appropriate to allow timely decisions regarding required disclosure. Our management evaluated, with the participation of our Certifying Officers, the effectiveness of our disclosure controls and procedures as of March 31, 2008, pursuant to Rule 13a-15 (b) under the Securities Exchange Act. Based upon that evaluation, our Certifying Officers concluded that, as of March 31, 2008, our disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting.

There were no changes in our internal control over financial reporting that occurred during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. We will continue to evaluate the effectiveness of internal controls and procedures on an on-going basis.

PART II

OTHER INFORMATION

Item 1. Legal Proceedings.

None.

Item 1A. Risk Factors.

This Item 1A should be read in conjunction with "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2007.

We will need additional capital to conduct our operations and develop our products and our ability to obtain the necessary funding is uncertain.

We need to obtain significant amounts of additional capital to develop our products and continue our business. The capital may come from many sources, including equity and/or debt financings, license arrangements, grants and/or collaborative research arrangements. As of March 31, 2008, we had cash and cash equivalents of approximately \$6.3 million. In February 2008 we completed a public financing of common stock and warrants of which the net proceeds to Opexa was approximately \$6.4 million. Our current burn rate is approximately \$900,000 per month. We will need to raise additional capital to fund our working capital needs beyond early fourth quarter of 2008. We must rely upon third-party debt or equity funding and we can provide no assurance that we will be successful in any funding effort. The failure to raise such funds will necessitate the curtailment or ceasing of operations and impact the completion of our clinical trials.

We do not have any committed sources of capital, although we have issued and outstanding warrants that, if exercised, would result in an equity capital raising transaction. Additional financing through strategic collaborations, public or private equity financings, capital lease transactions or other financing sources may not be available on acceptable terms, or at all. Additional equity financings could result in significant dilution to our stockholders. Further, if additional funds are obtained through arrangements with collaborative partners, these arrangements may require us to relinquish rights to some of our technologies, product candidates or products that we would otherwise seek to develop and commercialize ourselves. If sufficient capital is not available, we may be required to delay, reduce the scope of or eliminate one or more of our programs, any of which could have a material adverse effect on our financial condition or business prospects.

We have a "going-concern qualification" which may make capital raising more difficult and may require us to scale back or cease operations.

The report of our independent auditors in respect of the 2007 fiscal year includes a going concern qualification which indicates an absence of obvious or reasonably assured sources of future funding that will be required by us to maintain ongoing operations. Although we have successfully funded Opexa, to date, by attracting additional investors in our equity, there is no assurance that our capital raising efforts will be able to attract the additional capital needed to sustain our operations. The going concern qualification from our auditors may make it more difficult for us to raise funds. If we are unable to obtain additional funding for operations, we may not be able to continue operations as proposed, requiring us to modify our business plan, curtail various aspects of our operations or cease operations. In such event, investors may lose a portion or all of their investment.

Item 5. Other Information.

As a result of his announced intended retirement, David McWilliams entered into an amended employment agreement on May 9, 2008, effective as of April 1, 2008. Pursuant to the amendment, Mr. McWilliams will continue to serve as the chief executive officer of the Company at an annual salary of \$288,750. The term of employment is through March 31, 2009; however, the employment agreement may be terminated at any time voluntarily by him or without cause by the Board. If employment is terminated by the Board without cause, Mr. McWilliams will receive one month base salary, and any and all stock options granted to Mr. McWilliams prior to termination will be accelerated to become vested as of the termination date. Mr. McWilliams shall have one year from the date he ceases to serve as a director to exercise any vested stock options. In the event of a change of control, any and all stock options granted to Mr. McWilliams prior to such change of control will be accelerated to become vested and Mr. McWilliams shall have one year from the date he ceases to serve as a director to exercise any vested stock options.

Lynne Hohlfeld entered into an employment agreement on May 9, 2008, effective April 1, 2008, pursuant to which Ms. Hohlfeld serves as the chief financial officer of the Company at an annual salary of \$192,937. The term of employment is through March 31, 2009; however, the employment agreement may be terminated at any time voluntarily by her or without cause by the Board. If employment is terminated by the Board without cause, Ms. Hohlfeld will receive six months base salary and any and all stock options granted to Ms. Hohlfeld prior to termination will be accelerated for a twelve month period. Ms. Hohlfeld shall have one year to exercise any vested stock options. In the event of a change of control, any and all stock options granted to Ms. Hohlfeld prior to such change of control will be accelerated to become vested and Ms. Hohlfeld shall have one year to exercise any vested stock options.

Jim C. Williams entered into an employment agreement on May 9, 2008, effective April 1, 2008, pursuant to which Dr. Williams serves as the chief operating officer of the Company at an annual salary of \$248,890. The term of employment is through March 31, 2009; however, the employment agreement may be terminated at any time voluntarily by him or without cause by the Board. If employment is terminated by the Board without cause, Dr. Williams will receive six months base salary and any and all stock options granted to Dr. Williams prior to termination will be accelerated for a twelve month period. Dr. Williams shall have one year to exercise any vested stock options. In the event of a change of control, any and all stock options granted to Dr. Williams prior to such change of control will be accelerated to become vested and Dr. Williams shall have one year to exercise any vested stock options.

Donna Rill entered into an employment agreement on May 9, 2008, effective April 1, 2008, pursuant to which Ms. Rill serves as vice-president of operations of the Company at an annual salary of \$151,114. The term of employment is through March 31, 2009; however, the employment agreement may be terminated at any time voluntarily by her or without cause by the Board. If employment is terminated by the Board without cause, Ms. Rill will receive six months base salary and any and all stock options granted to Ms. Rill prior to termination will be accelerated for a twelve month period. Ms. Rill shall have one year to exercise any vested stock options. In the event of a change of control, any and all stock options granted to Ms. Rill prior to such change of control will be accelerated to become vested and Ms. Rill shall have one year to exercise any vested stock options.

Item 6. Exhibits.

- Exhibit 10.1* Amendment to Employment Agreement dated May 9, 2008, between the Company and David McWilliams
- Exhibit 10.2* Employment Agreement dated May 9, 2008, between the Company and Lynne Hohlfeld
- Exhibit 10.3* Employment Agreement dated May 9, 2008, between the Company and Jim C. Williams, Ph.D
- Exhibit 10.4* Employment Agreement dated May 9, 2008, between the Company and Donna R. Rill

- Exhibit 31.1* Chief Executive Officer Certification Pursuant to Section 13a-14 of the Securities Exchange Act
- Exhibit 31.2* Chief Financial Officer Certification Pursuant to Section 13a-14 of the Securities Exchange Act
- 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
- Exhibit 32.2* Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes- Oxley Act of 2002

* Filed herewith

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant has caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 13, 2008

OPEXA THERAPEUTICS, INC.
By: /s/ DAVID B. MCWILLIAMS
David B. McWilliams
President and Chief Executive Officer

Date: May 13, 2008

By: /s/ LYNNE HOHLFELD
Lynne Hohlfeld
Chief Financial Officer and Principal Accounting Officer

AMENDMENT TO EMPLOYMENT AGREEMENT

This Amended Employment Agreement (this "Agreement") is dated as of May 9, 2008 and effective as of the 1st day of April, 2008, by and between David B. McWilliams (hereinafter referred to as "Employee") and Opexa Therapeutics, Inc. (hereinafter referred to as "Opexa"), and amends that certain amended and restated employment agreement, effective June 15, 2006, by and between Employee and Opexa ("Original Agreement").

WITNESSETH:

WHEREAS, Employee is employed by Opexa pursuant to the Original Agreement;

WHEREAS, the Employee and Opexa jointly wish to make certain changes to the Original Agreement to more accurately reflect the understanding between them.

NOW, THEREFORE, for and in consideration of the employment by Opexa, the compensation and other remuneration paid and to be paid by Opexa and received by the Employee for such employment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Employee, it is agreed by and between the parties hereto as follows:

1. Unless otherwise amended as set forth herein, the Original Agreement shall remain in full force and effect.

2. Section 3, Term of Employment, shall be amended and restated in its entirety as set forth below:

3. **Term of Employment**

The term of employment of Employee is through March 31, 2009, subject to termination pursuant to Section 6.

3. Section 4, Compensation, shall be amended and restated in its entirety as set forth below:

4. **Compensation**

As compensation, Opexa shall pay Employee a salary of \$288,750 per year, paid consistent with the then payroll practices of Opexa.

4. Section 6 is amended as follows: Section 6.2 is deleted, and Sections 6.3, 6.4 and 6.7 are amended and restated in their entirety as set forth below:

6. **Termination**

6.3 Employee's Voluntary Termination. The Employee may terminate his employment at any time upon 30 days' prior written notice to Opexa.

6.4 Termination by Opexa Without Cause. Upon written notice by Opexa, a majority of the Board of Directors of Opexa may terminate Employee's employment without Cause (as defined below). Upon termination without Cause the Employee shall be entitled to the following severance:

- (i) one month base salary at the rate in effect (as provided for by Section 4 of this Agreement) at the time of such termination, provided Employee provides consulting services to the Company for at least 20 hours per week for the eight week period following termination to facilitate the transition of duties from Employee to the new chief executive officer;
- (ii) any annual bonus earned but not yet paid as of the date of termination;
- (iii) any accrued vacation pay;
- (iv) reimbursement for expenses incurred but not yet paid prior to such termination of employment;
- (v) any other compensation and benefits, including deferred compensation, as may be provided in accordance with the terms and provisions of any applicable plans and programs of Opexa; and
- (vi) any and all stock options granted to Employee prior to termination shall vest and Employee shall have one year from the date Employee ceases to serve as a Company director to exercise any such stock options or other derivative securities granted pursuant to any then existing stock compensation plan.

6.7 Change of Control. The effectiveness of a Change of Control (as defined below) shall be deemed a termination without Cause. Upon the effectiveness of a Change of Control, any and all stock options granted to Employee prior to termination shall vest and Employee shall have one year from the date Employee ceases to serve as a Company director to exercise any such stock options or other derivative securities granted pursuant to any then existing stock compensation plan.

"Change of Control" as used herein shall mean the occurrence of the following events:

- (i) A sale, transfer, or other disposition by Opexa through a single transaction or a series of transactions occurring within a 90-day period of securities of Opexa representing Beneficial Ownership (as defined below) of fifty (50%) percent or more of the combined voting power of Opexa then outstanding securities to any "Unrelated Person" or "Unrelated Persons" acting in concert with one another. For purposes of this definition, the term "Person" shall mean and include any individual, partnership, joint venture, association, trust corporation, or other entity [including a "group" as referred to in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended ("1934 Act")]. For purposes of this definition, the term "Unrelated Person" shall mean and include any Person other than the Employee, Opexa, a wholly-owned subsidiary of Opexa, an existing shareholder, or an employee benefit plan of Opexa; provided however, a sale of Opexa's securities in a capital raising transaction shall not be a Change of Control.

- (ii) A sale, transfer, or other disposition through a single transaction or a series of transactions occurring within a 90-day period of all or substantially all of the assets of Opexa to an Unrelated Person or Unrelated Persons acting in concert with one another.
- (iii) A change in the ownership of Opexa through a single transaction or a series of transactions occurring within a 90-day period such that any Unrelated Person or Unrelated Persons acting in concert with one another become the "Beneficial Owner," directly or indirectly, of securities of Opexa representing at least fifty-one (51%) percent of the combined voting power of Opexa then outstanding securities. For purposes of this Agreement, the term "Beneficial Owner" shall have the same meaning as given to that term in Rule 13d-3 promulgated under the 1934 Act, provided that any pledgee of voting securities is not deemed to be the Beneficial Owner of the securities prior to its acquisition of voting rights with respect to the securities.
- (iv) Any consolidation or merger of Opexa with or into an Unrelated Person, unless (i) immediately after the consolidation or merger the holders of the common stock of Opexa immediately prior to the consolidation or merger are the beneficial owners of securities of the surviving corporation representing at least fifty-one (51%) percent of the combined voting power of the surviving corporation's then outstanding securities or (ii) Employee continues to serve as Chief Executive Officer after the consolidation or merger.

6.8 Retirement Termination. Upon Employee reaching the age of 65, Employee shall then have the right to terminate this Agreement without cause, effective a date six months from the date he provides Opexa with written notice of his decision to terminate for retirement purposes. Upon the effective date of such termination, Opexa shall pay Employee severance awarded pursuant to Section 6.4 (ii)-(iv) above, provided that any and all stock options granted to Employee prior to the effective date of such termination shall vest immediately with a one-year period from the effective date of termination hereunder to exercise any such stock options or other derivative securities granted pursuant to any then existing stock compensation plan.

OPEXA THERAPEUTICS, INC.:

EMPLOYEE:

By: /s/ LYNNE HOHLFELD
Name: Lynne Hohlfeld
Title: Chief Financial Officer

By: /s/ DAVID B. MCWILLIAMS
David B. McWilliams

EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement") is dated as of May 9, 2008 and effective as of the 1st day of April, 2008, by and between Lynne Hohlfeld (hereinafter referred to as "Employee") and Opexa Therapeutics, Inc. (hereinafter referred to as "Opexa").

W I T N E S S E T H:

WHEREAS , Employee is employed by Opexa;

WHEREAS , Opexa desires to retain key executives and promote their dedication;

WHEREAS , Opexa's success requires the protection of its intellectual property, proprietary information and goodwill and Opexa is willing to enter into an employment agreement with Employee, subject to the terms and conditions below; and

WHEREAS , the Employee and Opexa jointly wish to document their employment understanding.

NOW, THEREFORE , for and in consideration of the employment by Opexa, the compensation and other remuneration paid and to be paid by Opexa and received and to be received by the Employee for such employment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Employee, it is agreed by and between the parties hereto as follows:

1. **Employment**

Opexa agrees to employ the Employee, and Employee agrees that Employee will devote Employee's full productive time, skill, and best efforts during Employee's employment to such duties as may be reasonably assigned to Employee. Employee will faithfully and diligently endeavor to further the best interests of Opexa during Employee's employment. The foregoing, however, shall not preclude the Employee from (i) engaging in appropriate civic, charitable, professional or trade association activities or (ii) subject to Board of Director written approval, serving on one or more other boards of directors of public or private companies, as long as such activities and services do not conflict with the responsibilities to Opexa.

2. **Duties and Title**

Employee shall continue to have the title of and shall act as the Chief Financial Officer of Opexa. Employee shall have the following responsibilities and duties as Chief Financial Officer: Employee shall report to Opexa's Board of Directors and will have such other duties and responsibilities consistent with her position as Chief Financial Officer, as may reasonably be assigned to Employee by Opexa's Board of Directors from time to time.

3. **Term of Employment**

The term of employment of Employee is through March 31, 2009, subject to termination pursuant to Section 6.

4. **Compensation**

As compensation, Opexa shall pay Employee a salary of a minimum of \$192,937 per year, paid consistent with the then payroll practices of Opexa.

5. **Benefits**

Opexa will provide Employee with the benefits and insurance coverage as generally provided by Opexa to its management employees, but only if and when such benefits and/or coverage are provided. If provided, such benefits and insurance coverages may be changed by Opexa from time to time.

6. **Termination**

The Employee's employment hereunder may be terminated prior to the term provided for in Section 3 only under the following circumstances:

6.1 Death. The Employee's employment shall terminate automatically on the date of her death.

6.2 Disability. If a Disability (as defined below) occurs and is continuing, the Employee's employment shall terminate 180 days after Opexa gives the Employee written notice that it intends to terminate her Employment on account of that Disability, or on such later date as Opexa specifies in such notice. If the Employee resumes the performance of substantially all of her duties under this Agreement before the termination becomes effective, the notice of intent to terminate shall be deemed to have been revoked. Disability of Employee shall not prevent Opexa from making necessary changes during the period of Employee's Disability to conduct its affairs. "Disability" shall mean that the Employee, with reasonable accommodation, has been unable to perform her essential duties under this Agreement for a period of at least six consecutive months as a result of her incapacity due to injury or physical or mental illness, any disability as defined in a disability insurance policy which provides coverage for the Employee, or any disability as defined by the Americans with Disabilities Act of 1990, Public Law 101_336, 42 U.S.C.A. § 12101 *et seq.*

6.3 Employee's Voluntary Termination. The Employee may terminate her employment at any time upon 30 days' prior written notice to Opexa.

6.4 Termination by Opexa Without Cause. Upon written notice by Opexa, a majority of the Board of Directors of Opexa may terminate Employee's employment without Cause (as defined below). Upon termination without Cause the Employee shall be entitled to the following severance:

- (i) six months base salary at the rate in effect (as provided for by Section 4 of this Agreement) at the time of such termination, to be paid monthly;
- (ii) any annual bonus earned but not yet paid as of the date of termination;
- (iii) any accrued vacation pay;
- (iv) reimbursement for expenses incurred but not yet paid prior to such termination of employment;
- (v) any other compensation and benefits, including deferred compensation, as may be provided in accordance with the terms and provisions of any applicable plans and programs of Opexa; and
- (vi) any and all stock options granted to Employee prior to termination shall provide that (a) all vesting schedules shall accelerate for a 12 month period and (b) Employee shall have one year from termination to exercise any such stock options or other derivative securities granted pursuant to any then existing stock compensation plan.

6.5 Termination by Opexa With Cause. Upon written notice by Opexa, a majority of the Board of Directors of Opexa may terminate Employee's employment with Cause. Upon termination with Cause, Employee shall not be entitled to any severance described in Section 6.4(i)-(vi). Any written notice of termination for Cause shall specify the particular act or acts, or failure to act, which is or are the basis for the decision to so terminate the Employee's employment for Cause. "Cause" as used herein shall be limited to (i) the conviction of the Employee for a felony; or (ii) a finding of fact in a civil judgment, binding arbitration award or binding mediation award that the Employee breached the then existing Opexa's Code of Ethics. If such conviction or finding of fact is overturned on appeal, the Employee shall be entitled to the payments and the economic equivalent of the benefits that the Employee would have received as a result of a termination of the Employee's employment by Opexa without Cause and shall be reimbursed all legal fees and expenses incurred by Employee in her defense of her actions that constituted the lawsuit, arbitration, mediation and/or appeal.

6.6 Defacto Termination. Opexa shall be deemed to have terminated Employee without Cause upon: (i) Opexa requiring Employee to move her principal place of residence from the Woodlands, Texas area or to perform regular duties that could reasonably be expected to require either such move against her wish or to spend amounts of time each week outside of the Houston, Texas area which are unreasonable in relation to the duties and responsibilities of the Employee hereunder; (ii) any reduction in Employee's duties or titles as set forth in Section 2 above; or (iii) any reduction in Employee's salary as set forth in Section 4.

6.7 Change of Control. The effectiveness of a Change of Control (as defined below) shall be deemed a termination without cause. Upon the effectiveness of a Change of Control, Opexa shall pay the Employee severance awarded pursuant to Section 6.4(i)-(v) above and any and all stock options granted to Employee prior to the Change of Control shall vest immediately upon the effectiveness of the Change of Control with a one-year period from the effective Change of Control date to exercise any such stock options or other derivative securities granted pursuant to any then existing stock compensation plan.

“Change of Control” as used herein shall mean the occurrence of the following events:

- (i) A sale, transfer, or other disposition by Opexa through a single transaction or a series of transactions occurring within a 90-day period of securities of Opexa representing Beneficial Ownership (as defined below) of fifty (50%) percent or more of the combined voting power of Opexa then outstanding securities to any “Unrelated Person” or “Unrelated Persons” acting in concert with one another. For purposes of this definition, the term “Person” shall mean and include any individual, partnership, joint venture, association, trust corporation, or other entity [including a “group” as referred to in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (“1934 Act”)]. For purposes of this definition, the term “Unrelated Person” shall mean and include any Person other than the Employee, Opexa, a wholly-owned subsidiary of Opexa, an existing shareholder, or an employee benefit plan of Opexa; provided however, a sale of Opexa’s securities in a capital raising transaction shall not be a Change of Control.
- (ii) A sale, transfer, or other disposition through a single transaction or a series of transactions occurring within a 90-day period of all or substantially all of the assets of Opexa to an Unrelated Person or Unrelated Persons acting in concert with one another.
- (iii) A change in the ownership of Opexa through a single transaction or a series of transactions occurring within a 90-day period such that any Unrelated Person or Unrelated Persons acting in concert with one another become the “Beneficial Owner,” directly or indirectly, of securities of Opexa representing at least fifty-one (51%) percent of the combined voting power of Opexa then outstanding securities. For purposes of this Agreement, the term “Beneficial Owner” shall have the same meaning as given to that term in Rule 13d-3 promulgated under the 1934 Act, provided that any pledgee of voting securities is not deemed to be the Beneficial Owner of the securities prior to its acquisition of voting rights with respect to the securities.
- (iv) Any consolidation or merger of Opexa with or into an Unrelated Person, unless (i) immediately after the consolidation or merger the holders of the common stock of Opexa immediately prior to the consolidation or merger are the beneficial owners of securities of the surviving corporation representing at least fifty-one (51%) percent of the combined voting power of the surviving corporation’s then outstanding securities

6.8 Retirement Termination . Upon Employee reaching the age of 65, Employee shall then have the right to terminate this Agreement without cause, effective a date six months from the date she provides Opexa with written notice of her decision to terminate for retirement purposes. Upon the effective date of such termination, Opexa shall pay Employee severance awarded pursuant to Section 6.4 (ii)-(iv) above, provided that any and all stock options granted to Employee prior to the effective date of such termination shall vest immediately with a one-year period from the effective date of termination hereunder to exercise any such stock options or other derivative securities granted pursuant to any then existing stock compensation plan.

7. Confidential and Proprietary Information; Documents

7.1 Opexa shall provide Employee with information deemed secret and confidential by Opexa. Such secret or confidential information or know-how of Opexa (referred to collectively as “Confidential Information”) shall include, without limitation, the following: the status and plans for research and development; materials, cells, tissues, and other biological samples and specimens; cell banking methods, apparatus, and services; pending and planned patent applications (until published by the Patent Office); invention disclosures; research and technical data and information; methods of creating, preparing, and using stem cells and other biological materials; license, sublicense, and other agreements relating to intellectual property rights; Opexa’s plans; customer or contact information; contributor information; strategies, costs, prices, uses, applications of products and services; results of and data from investigations or experiments; all apparatus, products, processes, compositions, samples, formulas, computer programs, pricing policy, financial information, and methods of doing business; policy and/or procedure manuals, training and recruiting procedures; accounting procedures; the status and content of Opexa’s contracts with its contributors, clients, and customers; Opexa’s business philosophy, and servicing methods and techniques; all at any time used, developed, or investigated by Opexa, before or during the Employee’s tenure of employment, which are not generally available to the public or which are maintained as confidential by Opexa.

7.2 Employee recognizes and acknowledges that Employee will have access to certain information of Opexa that is confidential and proprietary and constitutes valuable and unique property of Opexa. Employee agrees that Employee will not at any time, either during or subsequent to Employee’s employment, disclose to others, use, copy or permit to be copied, except in pursuance of Employee’s duties on behalf of Opexa, its successors, assigns or nominees, any Confidential Information or know-how of Opexa (whether or not developed by the Employee) without Opexa’s prior written consent. Employee further agrees to maintain in confidence any confidential information of third parties received as a result of Employee’s employment with Opexa.

7.3 Employee further agrees to deliver to Opexa at the termination of Employee’s employment all biological materials correspondence, memoranda, notes, records, drawings, sketches, plans, customer, client and/or contributor lists, product compositions, or other documents and all copies thereof (all of which are hereafter referred to as the “Documents”), made, composed or received by Employee, solely or jointly with others, and which are in Employee’s possession, custody, or control at such date and which are related in any manner to the past, present, or anticipated business of Opexa. In this regard, Employee hereby grants and conveys to Opexa all right, title and interest in and to, including without limitation, the right to possess, print, copy, and sell or otherwise dispose of, any biological materials, reports, records, papers summaries, photographs, drawings or other documents, and writings, copies, abstracts or summaries thereof, or any other works of authorship, which may be prepared by Employee or under Employee’s direction or which may come into Employee’s possession in any way during the term of Employee’s employment with Opexa which relate in any manner to the past, present or anticipated business of Opexa.

7.4 Employee further agrees that Employee will not, during Employee's employment, receive from persons not employed by Opexa, any confidential information not belonging to Opexa, unless a valid agreement is signed by both an officer of Opexa and by the disclosing party that states that Opexa will not be in a confidential relationship with the disclosing party. Employee further agrees that Employee will not use or disclose to other employees of Opexa, during Employee's employment with Opexa, confidential information belonging to Employee's former employers, or any other third parties unless written permission has been given by such persons to Opexa to use and/or disclose such information.

7.5 In the event of a breach or threatened breach of any of the provisions of Section 7, Opexa shall be entitled to an injunction ordering the return of such Documents and any and all copies thereof and restraining Employee from using or disclosing, for Employee's benefit or the benefit of others, in whole or in part, any Confidential Information, including but not limited to the Confidential Information which such Documents contain, constitute, or embody. Employee further agrees that any breach or threatened breach of any of the provisions of Section 7 would cause irreparable injury to Opexa for which it would have no adequate remedy at law. Nothing herein shall be construed as prohibiting Opexa from pursuing any other remedies available to it for any such breach or threatened breach, including the recovery of damages.

8. Noncompetition/No-Hire Agreement

8.1 Employee agrees that, from the date hereof until a period of six months following the date of the termination of Employee's employment (the "Noncompetition Period"), Employee will not directly or indirectly, either as an employee, employer, consultant, agent, principal, partner, corporate officer, director, or in any other individual or representative capacity, engage or participate in any "Competitive Business" anywhere in the United States of America (the "Noncompetition Territory"). As used herein, a "Competitive Business" is defined as any business relating developing autologous cellular therapies to treat multiple sclerosis (MS) .

8.2 Employee further agrees that from the date hereof until a period of one year following the date of the termination of Employee's employment (the "Nonsolicitation Period") and within the Noncompetition Territory Employee will not, directly or indirectly, either as an employee, employer, consultant, agent, principal, partner, corporate officer, director, or in any other individual or representative capacity, call on, solicit, recruit, or attempt to call on, solicit, or recruit, or attempt to hire any of the employees of Opexa, regardless of whether for the benefit of the Employee or for any other person, firm, or corporation.

8.3 Employee shall not during the Nonsolicitation Period and within the Noncompetition Territory, either directly or indirectly (i) make known to any Competitive Business the names and addresses of any of Opexa's customers or contacts or any other information pertaining to such persons or businesses or (ii) call on, solicit, or take away, or attempt to call on, solicit or take away any of the customers of Opexa with whom Employee became acquainted during Employee's association with Opexa, regardless of whether for the benefit of the Employee or for any other person, firm or corporation.

8.4 Employee agrees that the restraints created by the covenants in Section 8 are no greater than necessary to protect Opexa's legitimate interests. Furthermore, Employee agrees that such covenants of Section 8 do not hinder, or otherwise cause hardship to Employee in finding and performing employment elsewhere upon termination of this Agreement. Similarly, Employee agrees that Opexa's need for the protection afforded by the covenants of Section 8 is not outweighed by either the hardship to Employee or any injury likely to the public.

8.5 Employee agrees that this Section 8 is ancillary to this Agreement, and independent of any other agreement related to Employee's employment with Opexa, and Employee acknowledges that the consideration given by Opexa for this Agreement includes Opexa's agreement to provide to the Employee access to the Confidential Information, as well as employment. Further, the existence of any claim or cause of action of Employee against Opexa or any officer, director, or employee of Opexa, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by Opexa of Employee's covenants contained in this Agreement. In addition, this Agreement shall continue to be binding upon Employee in accordance with its terms, notwithstanding the termination of Employee's employment.

8.6 Employee agrees that Employee's breach or violation, or threat thereof, of this covenant not to compete shall entitle Opexa, as a matter of right, to an injunction without the necessity of posting bond, issued by any court of competent jurisdiction, restraining any further or continued breach or violation of this covenant. Such right to an injunction shall be cumulative and in addition to, and not in lieu of, any other remedies to which Opexa may show itself justly entitled. Further, during any period in which Employee is in breach of this covenant not to compete, the time period of this covenant shall be extended for an amount of time that Employee is in breach.

9. Inventions and Other Intellectual Property

9.1 Employee agrees to hold in complete trust for the benefit of Opexa, and to disclose promptly and fully to Opexa in writing, and hereby assigns, and binds Employee's heirs, executors, administrators, and all legal representatives to assign, to Opexa any and all inventions, discoveries, ideas, concepts, improvements, copyrightable works, biological materials, and other developments (all of the above are collectively referred to as the "Developments") conceived, made, discovered or developed by him, solely or jointly with others, during Employee's employment by Opexa, whether during or outside of usual working hours and whether on Opexa's premises or not, which relate in any manner to the past, present or anticipated business of Opexa. Any and all such Developments shall be the sole and exclusive property of Opexa, whether patentable, copyrightable, or neither, and Employee agrees that Employee will assist and fully cooperate in every way, at Opexa's expense, in securing, maintaining, and enforcing, for the benefit of Opexa or its designee, patents, copyrights or other types of proprietary or intellectual property protection for such Developments in any and all countries. Employee acknowledges and agrees that any and all such Developments conceived, created, or authored by him within the scope of Employee's employment is a "work made for hire," as defined by the federal copyright laws, and therefore all copyrights in and to such works are and will be owned by Opexa. To the extent that Employee authors any copyrightable work in any medium during the Term of this Agreement which relates or pertains in any way to Opexa or any of the operations or activities of either and which was not prepared within the scope of Employee's employment, Employee hereby assigns all right, title, and interest, including but not limited to all rights of copyright, in and to such works to Opexa. Within six months following the termination of Employee's employment, and without limiting the generality of the foregoing, any Development of the Employee relating to any Opexa subject matter on which Employee worked or was informed during Employee's employment by Opexa shall be conclusively presumed to have been conceived and made prior to the termination of Employee's employment (unless the Employee clearly proves that such Development was conceived and made following the termination of Employee's employment), and shall accordingly belong, and be assigned, to Opexa and shall be subject to this Agreement.

9.2 Without limiting the foregoing, Employee agrees at the request of Opexa (but without additional compensation from Opexa during Employee's employment by Opexa) to execute any and all papers and perform all lawful acts which Opexa deems necessary for the preparation, filing, prosecution, and maintenance of applications for United States and foreign letters patent, or for United States and foreign copyrights, on the Developments, and to execute such instruments as are necessary or convenient to assign to Opexa, its successors, assigns or nominees, all of the Employee's right, title, and interest in the Developments and the like, so as to establish, maintain or perfect, in Opexa, its successors, assigns or nominees, the entire right, title, and interest to the Developments, and also to execute any instruments necessary or which Opexa may deem desirable in connection with any continuation, renewal or reissue thereof, or in the conduct of any proceedings or litigation in regard thereto.

9.3 All expenses incurred by the Employee by reason of the performance of any of the obligations set forth in this Section 9 on Inventions shall be borne by Opexa. Should the Employee's assistance be requested by Opexa after termination of employment, Opexa would compensate the Employee at a reasonable rate.

10. **Conflicts of Interest**

10.1 In keeping with Employee's fiduciary duties to Opexa, Employee agrees that Employee shall not, directly or indirectly, become involved in any conflict of interest with reference to any transaction or opportunity including Opexa ("Conflict"), or upon discovery thereof, allow such a Conflict to continue. Moreover, Employee agrees that Employee shall promptly disclose to the Board of Opexa any facts which might involve any reasonable possibility of a Conflict. Employee shall maintain the highest standards of conduct, and shall not do anything likely to injure the reputation or goodwill of Opexa, or embarrass or otherwise generate adverse publicity for or bring unwanted attention to Opexa.

10.2 It is agreed that any direct or indirect interest in, connection with, or benefit from any outside activities, particularly commercial activities, which interest might in any way adversely affect Opexa or any of its subsidiaries or affiliates, involves a possible Conflict. Circumstances in which a Conflict on the part of Employee would or might arise, and which should be reported immediately by Employee to an officer of Opexa, include, without limitation, the following: (a) ownership of a material interest in, acting in any capacity for, or accepting directly or indirectly any payments, services or loans from a supplier, contractor, subcontractor, customer or other entity with which Opexa does business; (b) misuse of information or facilities to which Employee has access in a manner which will be detrimental to Opexa's interest; (c) disclosure or other misuse of information of any kind obtained through the Employee's connection with Opexa; (d) acquiring or trading in, directly or indirectly, other properties or interests connected with the design, manufacture or marketing of products designed, manufactured or marketed by Opexa; (e) the appropriation to the Employee or the diversion to others, directly or indirectly, of any opportunity in which it is known or could reasonably be anticipated that Opexa would be interested; and (f) the ownership, directly or indirectly, of a material interest in an enterprise in competition with Opexa or its dealers and distributors or acting as a director, officer, partner, consultant, employee or agent of any enterprise which is in competition with Opexa or its dealers or distributors.

11. **Activities Associated With Maintenance of Professional Status and Community Activities**

Opexa will reimburse Employee for the costs of activities associated with the maintenance of the Employee's professional status, including the payment of licensing fees and required continuing education, expenses for professional/network meetings, as well as community activities.

12. **Prior Discoveries**

Employee does not have any unpatented inventions and discoveries made or conceived by Employee prior to Employee's employment with Opexa and which are to be excluded from this Agreement.

13. **Publicity**

13.1 Employee agrees that Opexa may use, and hereby grants Opexa the nonexclusive and worldwide right to use, Employee's name, picture, likeness, photograph, signature, or any other attribute of Employee's persona (all of such attributes are hereafter collectively referred to as "Persona") in any media for any advertising, publicity or other purpose at any time, either during or subsequent to Employee's employment by Opexa. Employee agrees that such use of Employee's Persona will not result in any invasion or violation of any privacy or property rights Employee may have; and Employee agrees that Employee will receive no additional compensation for the use of Employee's Persona. Employee further agrees that any negatives, prints or other material for printing or reproduction purposes prepared in connection with the use of Employee's Persona by Opexa shall be and are the sole property of Opexa.

13.2 Employee further agrees that at no time shall Employee write, author, publish, distribute, or cause to be published or distributed any pictorial, graphic, or literary works, such as but without limitation, books, articles, stories, or pamphlets, in any medium of expression, tangible or intangible, that relate, describe, or pertain in any way to Opexa or to the operations, activities, or employees of Opexa without first obtaining the prior written consent of the Board of Directors of Opexa to do so and also the prior written approval of the contents of any such work by the Board of Directors of Opexa.

14. **Indemnification**

Opexa shall, to the fullest extent permitted by the Texas Business Corporation Act, as amended, indemnify Employee if she is or was involved in any manner (including, but not limited to, as a party or a witness) in any threatened, pending, or completed investigation, claim, action, suit, or proceeding, whether civil, criminal, administrative, or investigative (including, but not limited to, any action, suit, or proceeding brought by or in the right of the corporation to procure a judgment in its favor) (a "Proceeding") by reason of the fact that the Employee is or was a director, officer, or employee of Opexa, against all liabilities and expenses actually and reasonably incurred by Employee in connection with such proceeding. Such indemnification shall include the right to receive payment in advance of any expenses incurred by Employee in connection with any proceeding, consistent with the provisions of the Texas Business Corporation Act, as amended. Notwithstanding the above, Employee shall not be indemnified in respect of:

- (i) a proceeding in which Employee is found liable on the basis that personal benefit was improperly received by him, whether or not the benefit resulted from an action taken in the person's official capacity;
- (ii) a proceeding in which Employee is found liable to Opexa; or
- (iii) a finding of fact in a civil judgment, binding arbitration award or binding mediation award that the Employee breached the then existing Opexa's Code of Ethics.

15. **Remedies**

Employee and Opexa agree that, because damages at law for any breach or nonperformance of this Agreement by Employee, while recoverable, are and will be inadequate, this Agreement may be enforced in equity by specific performance, injunction, accounting or otherwise.

16. **Miscellaneous**

16.1 This Agreement is made and entered into as of the date hereof and the rights and obligations of the parties hereto shall be binding upon the heirs and legal representatives of the Employee and the successors and assigns of Opexa. This Agreement may be assigned by Opexa but is personal to the Employee and no rights, duties, and obligations of Employee hereunder may be assigned.

16.2 No waiver or non-action with respect to any breach by the other party of any provision of this Agreement, nor the waiver or non-action with respect to any breach of the provisions of similar agreements with other employees shall be construed to be a waiver of any succeeding breach of such provision, or as a waiver of the provision itself.

16.3 Should any portions hereof be held to be invalid or wholly or partially unenforceable, such holding shall not invalidate or void the remainder of this Agreement. The portions held to be invalid or unenforceable shall be revised and reduced in scope so as to be valid and enforceable, or, if such is not possible, then such portions shall be deemed to have been wholly excluded with the same force and effect as if it had never been included herein.

16.4 Employee's obligations under this Agreement to Opexa shall survive the termination, for whatever reason, of Employee's employment by Opexa.

16.5 This Agreement supersedes, replaces and merges any and all prior and contemporaneous understandings, representations, agreements and discussions relating to the same or similar subject matter as that of this Agreement between Employee and Opexa and constitutes the sole and entire agreement between the Employee and Opexa with respect to the subject matter of this Agreement.

16.6 The laws of the State of Texas, excluding any conflicts of law rule or principle that might otherwise refer to the substantive law of another jurisdiction, will govern the interpretation, validity and effect of this Agreement without regard to the place of execution or the place for performance thereof, and Opexa and Employee agree that the appropriate courts in Montgomery County, Texas, shall have personal jurisdiction and venue over Opexa and Employee to hear all disputes arising under this Agreement.

16.7 All notices and other communications required or permitted hereunder or necessary or convenient in connection herewith shall be in writing and shall be deemed to have been given when mailed by registered mail or certified mail, return receipt requested, as follows:

If to Opexa, to:

2635 N. Crescent Ridge Drive
The Woodlands, TX 77381
Attn: David McWilliams

If to Employee, to:

Ms. Lynne Hohlfeld

or to such other addresses as either party may designate by notice to the other party hereto in the manner specified in this section 16.

16.8 This Agreement may not be changed or terminated orally, and no change, termination or waiver of this Agreement or of any of the provisions herein contained shall be binding unless made in writing and signed by both parties, and in the case of Opexa, by an authorized officer of Opexa. Any change or changes, from time to time, in Employee's salary and/or duties shall not be, nor be deemed to be, a change, termination or waiver of this Agreement or of any of the provisions herein contained.

OPEXA THERAPEUTICS, INC.:

EMPLOYEE:

By: /s/ DAVID B. MCWILLIAMS

Name: David B. McWilliams

Title: President and Chief Executive Officer

By: /s/ LYNNE HOHLFELD

Lynne Hohlfeld

EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement") is dated as of May 9, 2008 and effective as of the 1st day of April, 2008, by and between Jim C. Williams, Ph.D. (hereinafter referred to as "Employee") and Opexa Therapeutics, Inc. (hereinafter referred to as "Opexa").

W I T N E S S E T H:

WHEREAS , Employee is employed by Opexa;

WHEREAS , Opexa desires to retain key executives and promote their dedication;

WHEREAS , Opexa's success requires the protection of its intellectual property, proprietary information and goodwill and Opexa is willing to enter into an employment agreement with Employee, subject to the terms and conditions below; and

WHEREAS , the Employee and Opexa jointly wish to document their employment understanding.

NOW, THEREFORE , for and in consideration of the employment by Opexa, the compensation and other remuneration paid and to be paid by Opexa and received and to be received by the Employee for such employment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Employee, it is agreed by and between the parties hereto as follows:

1. **Employment**

Opexa agrees to employ the Employee, and Employee agrees that Employee will devote Employee's full productive time, skill, and best efforts during Employee's employment to such duties as may be reasonably assigned to Employee. Employee will faithfully and diligently endeavor to further the best interests of Opexa during Employee's employment. The foregoing, however, shall not preclude the Employee from (i) engaging in appropriate civic, charitable, professional or trade association activities or (ii) subject to Board of Director written approval, serving on one or more other boards of directors of public or private companies, as long as such activities and services do not conflict with the responsibilities to Opexa.

2. **Duties and Title**

Employee shall continue to have the title of and shall act as the Chief Operating Officer of Opexa. Employee shall have the following responsibilities and duties as Chief Operating Officer: Employee shall report to Opexa's Board of Directors and will have such other duties and responsibilities consistent with his position as Chief Operating Officer, as may reasonably be assigned to Employee by Opexa's Board of Directors from time to time.

3. **Term of Employment**

The term of employment of Employee is through March 31, 2009, subject to termination pursuant to Section 6.

4. **Compensation**

As compensation, Opexa shall pay Employee a salary of a minimum of \$248,890 per year, paid consistent with the then payroll practices of Opexa.

5. **Benefits**

Opexa will provide Employee with the benefits and insurance coverage as generally provided by Opexa to its management employees, but only if and when such benefits and/or coverage are provided. If provided, such benefits and insurance coverages may be changed by Opexa from time to time.

6. **Termination**

The Employee's employment hereunder may be terminated prior to the term provided for in Section 3 only under the following circumstances:

6.1 Death. The Employee's employment shall terminate automatically on the date of his death.

6.2 Disability. If a Disability (as defined below) occurs and is continuing, the Employee's employment shall terminate 180 days after Opexa gives the Employee written notice that it intends to terminate his Employment on account of that Disability, or on such later date as Opexa specifies in such notice. If the Employee resumes the performance of substantially all of his duties under this Agreement before the termination becomes effective, the notice of intent to terminate shall be deemed to have been revoked. Disability of Employee shall not prevent Opexa from making necessary changes during the period of Employee's Disability to conduct its affairs. "Disability" shall mean that the Employee, with reasonable accommodation, has been unable to perform his essential duties under this Agreement for a period of at least six consecutive months as a result of his incapacity due to injury or physical or mental illness, any disability as defined in a disability insurance policy which provides coverage for the Employee, or any disability as defined by the Americans with Disabilities Act of 1990, Public Law 101_336, 42 U.S.C.A. § 12101 *et seq.*

6.3 Employee's Voluntary Termination. The Employee may terminate his employment at any time upon 30 days' prior written notice to Opexa.

6.4 Termination by Opexa Without Cause. Upon written notice by Opexa, a majority of the Board of Directors of Opexa may terminate Employee's employment without Cause (as defined below). Upon termination without Cause the Employee shall be entitled to the following severance:

- (i) six months base salary at the rate in effect (as provided for by Section 4 of this Agreement) at the time of such termination, to be paid monthly;
- (ii) any annual bonus earned but not yet paid as of the date of termination;
- (iii) any accrued vacation pay;
- (iv) reimbursement for expenses incurred but not yet paid prior to such termination of employment;
- (v) any other compensation and benefits, including deferred compensation, as may be provided in accordance with the terms and provisions of any applicable plans and programs of Opexa; and
- (vi) any and all stock options granted to Employee prior to termination shall provide that (a) all vesting schedules shall accelerate for a 12 month period and (b) Employee shall have one year from termination to exercise any such stock options or other derivative securities granted pursuant to any then existing stock compensation plan.

6.5 Termination by Opexa With Cause. Upon written notice by Opexa, a majority of the Board of Directors of Opexa may terminate Employee's employment with Cause. Upon termination with Cause, Employee shall not be entitled to any severance described in Section 6.4(i)-(vi). Any written notice of termination for Cause shall specify the particular act or acts, or failure to act, which is or are the basis for the decision to so terminate the Employee's employment for Cause. "Cause" as used herein shall be limited to (i) the conviction of the Employee for a felony; or (ii) a finding of fact in a civil judgment, binding arbitration award or binding mediation award that the Employee breached the then existing Opexa's Code of Ethics. If such conviction or finding of fact is overturned on appeal, the Employee shall be entitled to the payments and the economic equivalent of the benefits that the Employee would have received as a result of a termination of the Employee's employment by Opexa without Cause and shall be reimbursed all legal fees and expenses incurred by Employee in his defense of his actions that constituted the lawsuit, arbitration, mediation and/or appeal.

6.6 Defacto Termination. Opexa shall be deemed to have terminated Employee without Cause upon: (i) Opexa requiring Employee to move his principal place of residence from the Woodlands, Texas area or to perform regular duties that could reasonably be expected to require either such move against his wish or to spend amounts of time each week outside of the Houston, Texas metropolitan area which are unreasonable in relation to the duties and responsibilities of the Employee hereunder; (ii) any reduction in Employee's duties or titles as set forth in Section 2 above; or (iii) any reduction in Employee's salary as set forth in Section 4.

6.7 Change of Control. The effectiveness of a Change of Control (as defined below) shall be deemed a termination without cause. Upon the effectiveness of a Change of Control, Opexa shall pay the Employee severance awarded pursuant to Section 6.4(i)-(v) above and any and all stock options granted to Employee prior to the Change of Control shall vest immediately upon the effectiveness of the Change of Control with a one-year period from the effective Change of Control date to exercise any such stock options or other derivative securities granted pursuant to any then existing stock compensation plan.

“Change of Control” as used herein shall mean the occurrence of the following events:

- (i) A sale, transfer, or other disposition by Opexa through a single transaction or a series of transactions occurring within a 90-day period of securities of Opexa representing Beneficial Ownership (as defined below) of fifty (50%) percent or more of the combined voting power of Opexa then outstanding securities to any “Unrelated Person” or “Unrelated Persons” acting in concert with one another. For purposes of this definition, the term “Person” shall mean and include any individual, partnership, joint venture, association, trust corporation, or other entity [including a “group” as referred to in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (“1934 Act”)]. For purposes of this definition, the term “Unrelated Person” shall mean and include any Person other than the Employee, Opexa, a wholly-owned subsidiary of Opexa, an existing shareholder, or an employee benefit plan of Opexa; provided however, a sale of Opexa’s securities in a capital raising transaction shall not be a Change of Control.
- (ii) A sale, transfer, or other disposition through a single transaction or a series of transactions occurring within a 90-day period of all or substantially all of the assets of Opexa to an Unrelated Person or Unrelated Persons acting in concert with one another.
- (iii) A change in the ownership of Opexa through a single transaction or a series of transactions occurring within a 90-day period such that any Unrelated Person or Unrelated Persons acting in concert with one another become the “Beneficial Owner,” directly or indirectly, of securities of Opexa representing at least fifty-one (51%) percent of the combined voting power of Opexa then outstanding securities. For purposes of this Agreement, the term “Beneficial Owner” shall have the same meaning as given to that term in Rule 13d-3 promulgated under the 1934 Act, provided that any pledgee of voting securities is not deemed to be the Beneficial Owner of the securities prior to its acquisition of voting rights with respect to the securities.
- (iv) Any consolidation or merger of Opexa with or into an Unrelated Person, unless (i) immediately after the consolidation or merger the holders of the common stock of Opexa immediately prior to the consolidation or merger are the beneficial owners of securities of the surviving corporation representing at least fifty-one (51%) percent of the combined voting power of the surviving corporation’s then outstanding securities.

6.8 Retirement Termination . Upon Employee reaching the age of 65, Employee shall then have the right to terminate this Agreement without cause, effective a date six months from the date he provides Opexa with written notice of his decision to terminate for retirement purposes. Upon the effective date of such termination, Opexa shall pay Employee severance awarded pursuant to Section 6.4 (ii)-(iv) above, provided that any and all stock options granted to Employee prior to the effective date of such termination shall vest immediately with a one-year period from the effective date of termination hereunder to exercise any such stock options or other derivative securities granted pursuant to any then existing stock compensation plan.

7. Confidential and Proprietary Information; Documents

7.1 Opexa shall provide Employee with information deemed secret and confidential by Opexa. Such secret or confidential information or know-how of Opexa (referred to collectively as "Confidential Information") shall include, without limitation, the following: the status and plans for research and development; materials, cells, tissues, and other biological samples and specimens; cell banking methods, apparatus, and services; pending and planned patent applications (until published by the Patent Office); invention disclosures; research and technical data and information; methods of creating, preparing, and using stem cells and other biological materials; license, sublicense, and other agreements relating to intellectual property rights; Opexa's plans; customer or contact information; contributor information; strategies, costs, prices, uses, applications of products and services; results of and data from investigations or experiments; all apparatus, products, processes, compositions, samples, formulas, computer programs, pricing policy, financial information, and methods of doing business; policy and/or procedure manuals, training and recruiting procedures; accounting procedures; the status and content of Opexa's contracts with its contributors, clients, and customers; Opexa's business philosophy, and servicing methods and techniques; all at any time used, developed, or investigated by Opexa, before or during the Employee's tenure of employment, which are not generally available to the public or which are maintained as confidential by Opexa.

7.2 Employee recognizes and acknowledges that Employee will have access to certain information of Opexa that is confidential and proprietary and constitutes valuable and unique property of Opexa. Employee agrees that Employee will not at any time, either during or subsequent to Employee's employment, disclose to others, use, copy or permit to be copied, except in pursuance of Employee's duties on behalf of Opexa, its successors, assigns or nominees, any Confidential Information or know-how of Opexa (whether or not developed by the Employee) without Opexa's prior written consent. Employee further agrees to maintain in confidence any confidential information of third parties received as a result of Employee's employment with Opexa.

7.3 Employee further agrees to deliver to Opexa at the termination of Employee's employment all biological materials correspondence, memoranda, notes, records, drawings, sketches, plans, customer, client and/or contributor lists, product compositions, or other documents and all copies thereof (all of which are hereafter referred to as the "Documents"), made, composed or received by Employee, solely or jointly with others, and which are in Employee's possession, custody, or control at such date and which are related in any manner to the past, present, or anticipated business of Opexa. In this regard, Employee hereby grants and conveys to Opexa all right, title and interest in and to, including without limitation, the right to possess, print, copy, and sell or otherwise dispose of, any biological materials, reports, records, papers summaries, photographs, drawings or other documents, and writings, copies, abstracts or summaries thereof, or any other works of authorship, which may be prepared by Employee or under Employee's direction or which may come into Employee's possession in any way during the term of Employee's employment with Opexa which relate in any manner to the past, present or anticipated business of Opexa.

7.4 Employee further agrees that Employee will not, during Employee's employment, receive from persons not employed by Opexa, any confidential information not belonging to Opexa, unless a valid agreement is signed by both an officer of Opexa and by the disclosing party that states that Opexa will not be in a confidential relationship with the disclosing party. Employee further agrees that Employee will not use or disclose to other employees of Opexa, during Employee's employment with Opexa, confidential information belonging to Employee's former employers, or any other third parties unless written permission has been given by such persons to Opexa to use and/or disclose such information.

7.5 In the event of a breach or threatened breach of any of the provisions of Section 7, Opexa shall be entitled to an injunction ordering the return of such Documents and any and all copies thereof and restraining Employee from using or disclosing, for Employee's benefit or the benefit of others, in whole or in part, any Confidential Information, including but not limited to the Confidential Information which such Documents contain, constitute, or embody. Employee further agrees that any breach or threatened breach of any of the provisions of Section 7 would cause irreparable injury to Opexa for which it would have no adequate remedy at law. Nothing herein shall be construed as prohibiting Opexa from pursuing any other remedies available to it for any such breach or threatened breach, including the recovery of damages.

8. Noncompetition/No-Hire Agreement

8.1 Employee agrees that, from the date hereof until a period of six months following the date of the termination of Employee's employment (the "Noncompetition Period"), Employee will not directly or indirectly, either as an employee, employer, consultant, agent, principal, partner, corporate officer, director, or in any other individual or representative capacity, engage or participate in any "Competitive Business" anywhere in the United States of America (the "Noncompetition Territory"). As used herein, a "Competitive Business" is defined as any business relating developing autologous cellular therapies to treat multiple sclerosis (MS).

8.2 Employee further agrees that from the date hereof until a period of one year following the date of the termination of Employee's employment (the "Nonsolicitation Period") and within the Noncompetition Territory Employee will not, directly or indirectly, either as an employee, employer, consultant, agent, principal, partner, corporate officer, director, or in any other individual or representative capacity, call on, solicit, recruit, or attempt to call on, solicit, or recruit, or attempt to hire any of the employees of Opexa, regardless of whether for the benefit of the Employee or for any other person, firm, or corporation.

8.3 Employee shall not during the Nonsolicitation Period and within the Noncompetition Territory, either directly or indirectly (i) make known to any Competitive Business the names and addresses of any of Opexa's customers or contacts or any other information pertaining to such persons or businesses or (ii) call on, solicit, or take away, or attempt to call on, solicit or take away any of the customers of Opexa with whom Employee became acquainted during Employee's association with Opexa, regardless of whether for the benefit of the Employee or for any other person, firm or corporation.

8.4 Employee agrees that the restraints created by the covenants in Section 8 are no greater than necessary to protect Opexa's legitimate interests. Furthermore, Employee agrees that such covenants of Section 8 do not hinder, or otherwise cause hardship to Employee in finding and performing employment elsewhere upon termination of this Agreement. Similarly, Employee agrees that Opexa's need for the protection afforded by the covenants of Section 8 is not outweighed by either the hardship to Employee or any injury likely to the public.

8.5 Employee agrees that this Section 8 is ancillary to this Agreement, and independent of any other agreement related to Employee's employment with Opexa, and Employee acknowledges that the consideration given by Opexa for this Agreement includes Opexa's agreement to provide to the Employee access to the Confidential Information, as well as employment. Further, the existence of any claim or cause of action of Employee against Opexa or any officer, director, or employee of Opexa, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by Opexa of Employee's covenants contained in this Agreement. In addition, this Agreement shall continue to be binding upon Employee in accordance with its terms, notwithstanding the termination of Employee's employment.

8.6 Employee agrees that Employee's breach or violation, or threat thereof, of this covenant not to compete shall entitle Opexa, as a matter of right, to an injunction without the necessity of posting bond, issued by any court of competent jurisdiction, restraining any further or continued breach or violation of this covenant. Such right to an injunction shall be cumulative and in addition to, and not in lieu of, any other remedies to which Opexa may show itself justly entitled. Further, during any period in which Employee is in breach of this covenant not to compete, the time period of this covenant shall be extended for an amount of time that Employee is in breach.

9. Inventions and Other Intellectual Property

9.1 Employee agrees to hold in complete trust for the benefit of Opexa, and to disclose promptly and fully to Opexa in writing, and hereby assigns, and binds Employee's heirs, executors, administrators, and all legal representatives to assign, to Opexa any and all inventions, discoveries, ideas, concepts, improvements, copyrightable works, biological materials, and other developments (all of the above are collectively referred to as the "Developments") conceived, made, discovered or developed by him, solely or jointly with others, during Employee's employment by Opexa, whether during or outside of usual working hours and whether on Opexa's premises or not, which relate in any manner to the past, present or anticipated business of Opexa. Any and all such Developments shall be the sole and exclusive property of Opexa, whether patentable, copyrightable, or neither, and Employee agrees that Employee will assist and fully cooperate in every way, at Opexa's expense, in securing, maintaining, and enforcing, for the benefit of Opexa or its designee, patents, copyrights or other types of proprietary or intellectual property protection for such Developments in any and all countries. Employee acknowledges and agrees that any and all such Developments conceived, created, or authored by him within the scope of Employee's employment is a "work made for hire," as defined by the federal copyright laws, and therefore all copyrights in and to such works are and will be owned by Opexa. To the extent that Employee authors any copyrightable work in any medium during the Term of this Agreement which relates or pertains in any way to Opexa or any of the operations or activities of either and which was not prepared within the scope of Employee's employment, Employee hereby assigns all right, title, and interest, including but not limited to all rights of copyright, in and to such works to Opexa. Within six months following the termination of Employee's employment, and without limiting the generality of the foregoing, any Development of the Employee relating to any Opexa subject matter on which Employee worked or was informed during Employee's employment by Opexa shall be conclusively presumed to have been conceived and made prior to the termination of Employee's employment (unless the Employee clearly proves that such Development was conceived and made following the termination of Employee's employment), and shall accordingly belong, and be assigned, to Opexa and shall be subject to this Agreement.

9.2 Without limiting the foregoing, Employee agrees at the request of Opexa (but without additional compensation from Opexa during Employee's employment by Opexa) to execute any and all papers and perform all lawful acts which Opexa deems necessary for the preparation, filing, prosecution, and maintenance of applications for United States and foreign letters patent, or for United States and foreign copyrights, on the Developments, and to execute such instruments as are necessary or convenient to assign to Opexa, its successors, assigns or nominees, all of the Employee's right, title, and interest in the Developments and the like, so as to establish, maintain or perfect, in Opexa, its successors, assigns or nominees, the entire right, title, and interest to the Developments, and also to execute any instruments necessary or which Opexa may deem desirable in connection with any continuation, renewal or reissue thereof, or in the conduct of any proceedings or litigation in regard thereto.

9.3 All expenses incurred by the Employee by reason of the performance of any of the obligations set forth in this Section 9 on Inventions shall be borne by Opexa. Should the Employee's assistance be requested by Opexa after termination of employment, Opexa would compensate the Employee at a reasonable rate.

10. **Conflicts of Interest**

10.1 In keeping with Employee's fiduciary duties to Opexa, Employee agrees that Employee shall not, directly or indirectly, become involved in any conflict of interest with reference to any transaction or opportunity including Opexa ("Conflict"), or upon discovery thereof, allow such a Conflict to continue. Moreover, Employee agrees that Employee shall promptly disclose to the Board of Opexa any facts which might involve any reasonable possibility of a Conflict. Employee shall maintain the highest standards of conduct, and shall not do anything likely to injure the reputation or goodwill of Opexa, or embarrass or otherwise generate adverse publicity for or bring unwanted attention to Opexa.

10.2 It is agreed that any direct or indirect interest in, connection with, or benefit from any outside activities, particularly commercial activities, which interest might in any way adversely affect Opexa or any of its subsidiaries or affiliates, involves a possible Conflict. Circumstances in which a Conflict on the part of Employee would or might arise, and which should be reported immediately by Employee to an officer of Opexa, include, without limitation, the following: (a) ownership of a material interest in, acting in any capacity for, or accepting directly or indirectly any payments, services or loans from a supplier, contractor, subcontractor, customer or other entity with which Opexa does business; (b) misuse of information or facilities to which Employee has access in a manner which will be detrimental to Opexa's interest; (c) disclosure or other misuse of information of any kind obtained through the Employee's connection with Opexa; (d) acquiring or trading in, directly or indirectly, other properties or interests connected with the design, manufacture or marketing of products designed, manufactured or marketed by Opexa; (e) the appropriation to the Employee or the diversion to others, directly or indirectly, of any opportunity in which it is known or could reasonably be anticipated that Opexa would be interested; and (f) the ownership, directly or indirectly, of a material interest in an enterprise in competition with Opexa or its dealers and distributors or acting as a director, officer, partner, consultant, employee or agent of any enterprise which is in competition with Opexa or its dealers or distributors.

11. **Activities Associated With Maintenance of Professional Status and Community Activities**

Opexa will reimburse Employee for the costs of activities associated with the maintenance of the Employee's professional status, including the payment of licensing fees and required continuing education, expenses for professional/network meetings, as well as community activities.

12. **Prior Discoveries**

Employee does not have any unpatented inventions and discoveries made or conceived by Employee prior to Employee's employment with Opexa and which are to be excluded from this Agreement.

13. **Publicity**

13.1 Employee agrees that Opexa may use, and hereby grants Opexa the nonexclusive and worldwide right to use, Employee's name, picture, likeness, photograph, signature, or any other attribute of Employee's persona (all of such attributes are hereafter collectively referred to as "Persona") in any media for any advertising, publicity or other purpose at any time, either during or subsequent to Employee's employment by Opexa. Employee agrees that such use of Employee's Persona will not result in any invasion or violation of any privacy or property rights Employee may have; and Employee agrees that Employee will receive no additional compensation for the use of Employee's Persona. Employee further agrees that any negatives, prints or other material for printing or reproduction purposes prepared in connection with the use of Employee's Persona by Opexa shall be and are the sole property of Opexa.

13.2 Employee further agrees that at no time shall Employee write, author, publish, distribute, or cause to be published or distributed any pictorial, graphic, or literary works, such as but without limitation, books, articles, stories, or pamphlets, in any medium of expression, tangible or intangible, that relate, describe, or pertain in any way to Opexa or to the operations, activities, or employees of Opexa without first obtaining the prior written consent of the Board of Directors of Opexa to do so and also the prior written approval of the contents of any such work by the Board of Directors of Opexa.

14. **Indemnification**

Opexa shall, to the fullest extent permitted by the Texas Business Corporation Act, as amended, indemnify Employee if he is or was involved in any manner (including, but not limited to, as a party or a witness) in any threatened, pending, or completed investigation, claim, action, suit, or proceeding, whether civil, criminal, administrative, or investigative (including, but not limited to, any action, suit, or proceeding brought by or in the right of the corporation to procure a judgment in its favor) (a "Proceeding") by reason of the fact that the Employee is or was a director, officer, or employee of Opexa, against all liabilities and expenses actually and reasonably incurred by Employee in connection with such proceeding. Such indemnification shall include the right to receive payment in advance of any expenses incurred by Employee in connection with any proceeding, consistent with the provisions of the Texas Business Corporation Act, as amended. Notwithstanding the above, Employee shall not be indemnified in respect of:

- (i) a proceeding in which Employee is found liable on the basis that personal benefit was improperly received by him, whether or not the benefit resulted from an action taken in the person's official capacity;
- (ii) a proceeding in which Employee is found liable to Opexa; or
- (iii) a finding of fact in a civil judgment, binding arbitration award or binding mediation award that the Employee breached the then existing Opexa's Code of Ethics.

15. **Remedies**

Employee and Opexa agree that, because damages at law for any breach or nonperformance of this Agreement by Employee, while recoverable, are and will be inadequate, this Agreement may be enforced in equity by specific performance, injunction, accounting or otherwise.

16. **Miscellaneous**

16.1 This Agreement is made and entered into as of the date hereof and the rights and obligations of the parties hereto shall be binding upon the heirs and legal representatives of the Employee and the successors and assigns of Opexa. This Agreement may be assigned by Opexa but is personal to the Employee and no rights, duties, and obligations of Employee hereunder may be assigned.

16.2 No waiver or non-action with respect to any breach by the other party of any provision of this Agreement, nor the waiver or non-action with respect to any breach of the provisions of similar agreements with other employees shall be construed to be a waiver of any succeeding breach of such provision, or as a waiver of the provision itself.

16.3 Should any portions hereof be held to be invalid or wholly or partially unenforceable, such holding shall not invalidate or void the remainder of this Agreement. The portions held to be invalid or unenforceable shall be revised and reduced in scope so as to be valid and enforceable, or, if such is not possible, then such portions shall be deemed to have been wholly excluded with the same force and effect as if it had never been included herein.

16.4 Employee's obligations under this Agreement to Opexa shall survive the termination, for whatever reason, of Employee's employment by Opexa.

16.5 This Agreement supersedes, replaces and merges any and all prior and contemporaneous understandings, representations, agreements (including the employment agreement between Employee and the Company dated November 2004) and discussions relating to the same or similar subject matter as that of this Agreement between Employee and Opexa and constitutes the sole and entire agreement between the Employee and Opexa with respect to the subject matter of this Agreement.

16.6 The laws of the State of Texas, excluding any conflicts of law rule or principle that might otherwise refer to the substantive law of another jurisdiction, will govern the interpretation, validity and effect of this Agreement without regard to the place of execution or the place for performance thereof, and Opexa and Employee agree that the appropriate courts in Montgomery County, Texas, shall have personal jurisdiction and venue over Opexa and Employee to hear all disputes arising under this Agreement.

16.7 All notices and other communications required or permitted hereunder or necessary or convenient in connection herewith shall be in writing and shall be deemed to have been given when mailed by registered mail or certified mail, return receipt requested, as follows:

If to Opexa, to:

2635 N. Crescent Ridge Drive
The Woodlands, TX 77381
Attn: David McWilliams

If to Employee, to:

Jim C. Williams, Ph.D.

or to such other addresses as either party may designate by notice to the other party hereto in the manner specified in this section 16.

16.8 This Agreement may not be changed or terminated orally, and no change, termination or waiver of this Agreement or of any of the provisions herein contained shall be binding unless made in writing and signed by both parties, and in the case of Opexa, by an authorized officer of Opexa. Any change or changes, from time to time, in Employee's salary and/or duties shall not be, nor be deemed to be, a change, termination or waiver of this Agreement or of any of the provisions herein contained.

OPEXA THERAPEUTICS, INC.:

EMPLOYEE:

By: /s/ DAVID B. MCWILLIAMS

Name: David B. McWilliams

Title: President and Chief Executive Officer

By: /s/ JIM C. WILLIAMS

Jim C. Williams, Ph.D.

EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement") is dated as of May 9, 2008 and effective as of the 1st day of April, 2008, by and between Donna R. Rill (hereinafter referred to as "Employee") and Opexa Therapeutics, Inc. (hereinafter referred to as "Opexa").

W I T N E S S E T H:

WHEREAS , Employee is employed by Opexa;

WHEREAS , Opexa desires to retain key executives and promote their dedication;

WHEREAS , Opexa's success requires the protection of its intellectual property, proprietary information and goodwill and Opexa is willing to enter into an employment agreement with Employee, subject to the terms and conditions below; and

WHEREAS , the Employee and Opexa jointly wish to document their employment understanding.

NOW, THEREFORE , for and in consideration of the employment by Opexa, the compensation and other remuneration paid and to be paid by Opexa and received and to be received by the Employee for such employment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Employee, it is agreed by and between the parties hereto as follows:

1. **Employment**

Opexa agrees to employ the Employee, and Employee agrees that Employee will devote Employee's full productive time, skill, and best efforts during Employee's employment to such duties as may be reasonably assigned to Employee. Employee will faithfully and diligently endeavor to further the best interests of Opexa during Employee's employment. The foregoing, however, shall not preclude the Employee from (i) engaging in appropriate civic, charitable, professional or trade association activities or (ii) subject to Board of Director written approval, serving on one or more other boards of directors of public or private companies, as long as such activities and services do not conflict with the responsibilities to Opexa.

2. **Duties and Title**

Employee shall continue to have the title of and shall act as the Vice President of Operations of Opexa. Employee shall have the following responsibilities and duties as Vice President of Operations: Employee shall report to Opexa's chief executive officer and will have such other duties and responsibilities consistent with her position as Vice President of Operations, as may reasonably be assigned to Employee by Opexa's chief executive officer from time to time.

3. **Term of Employment**

The term of employment of Employee is through March 31, 2009, subject to termination pursuant to Section 6.

4. **Compensation**

As compensation, Opexa shall pay Employee a salary of a minimum of \$151,114 per year, paid consistent with the then payroll practices of Opexa.

5. **Benefits**

Opexa will provide Employee with the benefits and insurance coverage as generally provided by Opexa to its management employees, but only if and when such benefits and/or coverage are provided. If provided, such benefits and insurance coverages may be changed by Opexa from time to time.

6. **Termination**

The Employee's employment hereunder may be terminated prior to the term provided for in Section 3 only under the following circumstances:

6.1 Death. The Employee's employment shall terminate automatically on the date of her death.

6.2 Disability. If a Disability (as defined below) occurs and is continuing, the Employee's employment shall terminate 180 days after Opexa gives the Employee written notice that it intends to terminate her Employment on account of that Disability, or on such later date as Opexa specifies in such notice. If the Employee resumes the performance of substantially all of her duties under this Agreement before the termination becomes effective, the notice of intent to terminate shall be deemed to have been revoked. Disability of Employee shall not prevent Opexa from making necessary changes during the period of Employee's Disability to conduct its affairs. "Disability" shall mean that the Employee, with reasonable accommodation, has been unable to perform her essential duties under this Agreement for a period of at least six consecutive months as a result of her incapacity due to injury or physical or mental illness, any disability as defined in a disability insurance policy which provides coverage for the Employee, or any disability as defined by the Americans with Disabilities Act of 1990, Public Law 101_336, 42 U.S.C.A. § 12101 *et seq.*

6.3 Employee's Voluntary Termination. The Employee may terminate her employment at any time upon 30 days' prior written notice to Opexa.

6.4 Termination by Opexa Without Cause. Upon written notice by Opexa, a majority of the Board of Directors of Opexa may terminate Employee's employment without Cause (as defined below). Upon termination without Cause the Employee shall be entitled to the following severance:

- (i) six months base salary at the rate in effect (as provided for by Section 4 of this Agreement) at the time of such termination, to be paid monthly;
- (ii) any annual bonus earned but not yet paid as of the date of termination;
- (iii) any accrued vacation pay;
- (iv) reimbursement for expenses incurred but not yet paid prior to such termination of employment;
- (v) any other compensation and benefits, including deferred compensation, as may be provided in accordance with the terms and provisions of any applicable plans and programs of Opexa; and
- (vi) any and all stock options granted to Employee prior to termination shall provide that (a) all vesting schedules shall accelerate for a 12 month period and (b) Employee shall have one year from termination to exercise any such stock options or other derivative securities granted pursuant to any then existing stock compensation plan.

6.5 Termination by Opexa With Cause. Upon written notice by Opexa, a majority of the Board of Directors of Opexa may terminate Employee's employment with Cause. Upon termination with Cause, Employee shall not be entitled to any severance described in Section 6.4(i)-(vi). Any written notice of termination for Cause shall specify the particular act or acts, or failure to act, which is or are the basis for the decision to so terminate the Employee's employment for Cause. "Cause" as used herein shall be limited to (i) the conviction of the Employee for a felony; or (ii) a finding of fact in a civil judgment, binding arbitration award or binding mediation award that the Employee breached the then existing Opexa's Code of Ethics. If such conviction or finding of fact is overturned on appeal, the Employee shall be entitled to the payments and the economic equivalent of the benefits that the Employee would have received as a result of a termination of the Employee's employment by Opexa without Cause and shall be reimbursed all legal fees and expenses incurred by Employee in her defense of her actions that constituted the lawsuit, arbitration, mediation and/or appeal.

6.6 Defacto Termination. Opexa shall be deemed to have terminated Employee without Cause upon: (i) Opexa requiring Employee to move her principal place of residence from the Houston, Texas metropolitan area or to perform regular duties that could reasonably be expected to require either such move against her wish or to spend amounts of time each week outside of the Houston, Texas area which are unreasonable in relation to the duties and responsibilities of the Employee hereunder; (ii) any reduction in Employee's duties or titles as set forth in Section 2 above; or (iii) any reduction in Employee's salary as set forth in Section 4.

6.7 Change of Control. The effectiveness of a Change of Control (as defined below) shall be deemed a termination without cause. Upon the effectiveness of a Change of Control, Opexa shall pay the Employee severance awarded pursuant to Section 6.4(i)-(v) above and any and all stock options granted to Employee prior to the Change of Control shall vest immediately upon the effectiveness of the Change of Control with a one-year period from the effective Change of Control date to exercise any such stock options or other derivative securities granted pursuant to any then existing stock compensation plan.

“Change of Control” as used herein shall mean the occurrence of the following events:

- (i) A sale, transfer, or other disposition by Opexa through a single transaction or a series of transactions occurring within a 90-day period of securities of Opexa representing Beneficial Ownership (as defined below) of fifty (50%) percent or more of the combined voting power of Opexa then outstanding securities to any “Unrelated Person” or “Unrelated Persons” acting in concert with one another. For purposes of this definition, the term “Person” shall mean and include any individual, partnership, joint venture, association, trust corporation, or other entity [including a “group” as referred to in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (“1934 Act”)]. For purposes of this definition, the term “Unrelated Person” shall mean and include any Person other than the Employee, Opexa, a wholly-owned subsidiary of Opexa, an existing shareholder, or an employee benefit plan of Opexa; provided however, a sale of Opexa’s securities in a capital raising transaction shall not be a Change of Control.
- (ii) A sale, transfer, or other disposition through a single transaction or a series of transactions occurring within a 90-day period of all or substantially all of the assets of Opexa to an Unrelated Person or Unrelated Persons acting in concert with one another.
- (iii) A change in the ownership of Opexa through a single transaction or a series of transactions occurring within a 90-day period such that any Unrelated Person or Unrelated Persons acting in concert with one another become the “Beneficial Owner,” directly or indirectly, of securities of Opexa representing at least fifty-one (51%) percent of the combined voting power of Opexa then outstanding securities. For purposes of this Agreement, the term “Beneficial Owner” shall have the same meaning as given to that term in Rule 13d-3 promulgated under the 1934 Act, provided that any pledgee of voting securities is not deemed to be the Beneficial Owner of the securities prior to its acquisition of voting rights with respect to the securities.

- (iv) Any consolidation or merger of Opexa with or into an Unrelated Person, unless (i) immediately after the consolidation or merger the holders of the common stock of Opexa immediately prior to the consolidation or merger are the beneficial owners of securities of the surviving corporation representing at least fifty-one (51%) percent of the combined voting power of the surviving corporation's then outstanding securities

6.8 Retirement Termination. Upon Employee reaching the age of 65, Employee shall then have the right to terminate this Agreement without cause, effective a date six months from the date she provides Opexa with written notice of her decision to terminate for retirement purposes. Upon the effective date of such termination, Opexa shall pay Employee severance awarded pursuant to Section 6.4 (ii)-(iv) above, provided that any and all stock options granted to Employee prior to the effective date of such termination shall vest immediately with a one-year period from the effective date of termination hereunder to exercise any such stock options or other derivative securities granted pursuant to any then existing stock compensation plan.

7. **Confidential and Proprietary Information; Documents**

7.1 Opexa shall provide Employee with information deemed secret and confidential by Opexa. Such secret or confidential information or know-how of Opexa (referred to collectively as "Confidential Information") shall include, without limitation, the following: the status and plans for research and development; materials, cells, tissues, and other biological samples and specimens; cell banking methods, apparatus, and services; pending and planned patent applications (until published by the Patent Office); invention disclosures; research and technical data and information; methods of creating, preparing, and using stem cells and other biological materials; license, sublicense, and other agreements relating to intellectual property rights; Opexa's plans; customer or contact information; contributor information; strategies, costs, prices, uses, applications of products and services; results of and data from investigations or experiments; all apparatus, products, processes, compositions, samples, formulas, computer programs, pricing policy, financial information, and methods of doing business; policy and/or procedure manuals, training and recruiting procedures; accounting procedures; the status and content of Opexa's contracts with its contributors, clients, and customers; Opexa's business philosophy, and servicing methods and techniques; all at any time used, developed, or investigated by Opexa, before or during the Employee's tenure of employment, which are not generally available to the public or which are maintained as confidential by Opexa.

7.2 Employee recognizes and acknowledges that Employee will have access to certain information of Opexa that is confidential and proprietary and constitutes valuable and unique property of Opexa. Employee agrees that Employee will not at any time, either during or subsequent to Employee's employment, disclose to others, use, copy or permit to be copied, except in pursuance of Employee's duties on behalf of Opexa, its successors, assigns or nominees, any Confidential Information or know-how of Opexa (whether or not developed by the Employee) without Opexa's prior written consent. Employee further agrees to maintain in confidence any confidential information of third parties received as a result of Employee's employment with Opexa.

7.3 Employee further agrees to deliver to Opexa at the termination of Employee's employment all biological materials correspondence, memoranda, notes, records, drawings, sketches, plans, customer, client and/or contributor lists, product compositions, or other documents and all copies thereof (all of which are hereafter referred to as the "Documents"), made, composed or received by Employee, solely or jointly with others, and which are in Employee's possession, custody, or control at such date and which are related in any manner to the past, present, or anticipated business of Opexa. In this regard, Employee hereby grants and conveys to Opexa all right, title and interest in and to, including without limitation, the right to possess, print, copy, and sell or otherwise dispose of, any biological materials, reports, records, papers summaries, photographs, drawings or other documents, and writings, copies, abstracts or summaries thereof, or any other works of authorship, which may be prepared by Employee or under Employee's direction or which may come into Employee's possession in any way during the term of Employee's employment with Opexa which relate in any manner to the past, present or anticipated business of Opexa.

7.4 Employee further agrees that Employee will not, during Employee's employment, receive from persons not employed by Opexa, any confidential information not belonging to Opexa, unless a valid agreement is signed by both an officer of Opexa and by the disclosing party that states that Opexa will not be in a confidential relationship with the disclosing party. Employee further agrees that Employee will not use or disclose to other employees of Opexa, during Employee's employment with Opexa, confidential information belonging to Employee's former employers, or any other third parties unless written permission has been given by such persons to Opexa to use and/or disclose such information.

7.5 In the event of a breach or threatened breach of any of the provisions of Section 7, Opexa shall be entitled to an injunction ordering the return of such Documents and any and all copies thereof and restraining Employee from using or disclosing, for Employee's benefit or the benefit of others, in whole or in part, any Confidential Information, including but not limited to the Confidential Information which such Documents contain, constitute, or embody. Employee further agrees that any breach or threatened breach of any of the provisions of Section 7 would cause irreparable injury to Opexa for which it would have no adequate remedy at law. Nothing herein shall be construed as prohibiting Opexa from pursuing any other remedies available to it for any such breach or threatened breach, including the recovery of damages.

8. Noncompetition/No-Hire Agreement

8.1 Employee agrees that, from the date hereof until a period of six months following the date of the termination of Employee's employment (the "Noncompetition Period"), Employee will not directly or indirectly, either as an employee, employer, consultant, agent, principal, partner, corporate officer, director, or in any other individual or representative capacity, engage or participate in any "Competitive Business" anywhere in the United States of America (the "Noncompetition Territory"). As used herein, a "Competitive Business" is defined as any business relating developing autologous cellular therapies to treat multiple sclerosis (MS).

8.2 Employee further agrees that from the date hereof until a period of one year following the date of the termination of Employee's employment (the "Nonsolicitation Period") and within the Noncompetition Territory Employee will not, directly or indirectly, either as an employee, employer, consultant, agent, principal, partner, corporate officer, director, or in any other individual or representative capacity, call on, solicit, recruit, or attempt to call on, solicit, or recruit, or attempt to hire any of the employees of Opexa, regardless of whether for the benefit of the Employee or for any other person, firm, or corporation.

8.3 Employee shall not during the Nonsolicitation Period and within the Noncompetition Territory, either directly or indirectly (i) make known to any Competitive Business the names and addresses of any of Opexa's customers or contacts or any other information pertaining to such persons or businesses or (ii) call on, solicit, or take away, or attempt to call on, solicit or take away any of the customers of Opexa with whom Employee became acquainted during Employee's association with Opexa, regardless of whether for the benefit of the Employee or for any other person, firm or corporation.

8.4 Employee agrees that the restraints created by the covenants in Section 8 are no greater than necessary to protect Opexa's legitimate interests. Furthermore, Employee agrees that such covenants of Section 8 do not hinder, or otherwise cause hardship to Employee in finding and performing employment elsewhere upon termination of this Agreement. Similarly, Employee agrees that Opexa's need for the protection afforded by the covenants of Section 8 is not outweighed by either the hardship to Employee or any injury likely to the public.

8.5 Employee agrees that this Section 8 is ancillary to this Agreement, and independent of any other agreement related to Employee's employment with Opexa, and Employee acknowledges that the consideration given by Opexa for this Agreement includes Opexa's agreement to provide to the Employee access to the Confidential Information, as well as employment. Further, the existence of any claim or cause of action of Employee against Opexa or any officer, director, or employee of Opexa, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by Opexa of Employee's covenants contained in this Agreement. In addition, this Agreement shall continue to be binding upon Employee in accordance with its terms, notwithstanding the termination of Employee's employment.

8.6 Employee agrees that Employee's breach or violation, or threat thereof, of this covenant not to compete shall entitle Opexa, as a matter of right, to an injunction without the necessity of posting bond, issued by any court of competent jurisdiction, restraining any further or continued breach or violation of this covenant. Such right to an injunction shall be cumulative and in addition to, and not in lieu of, any other remedies to which Opexa may show itself justly entitled. Further, during any period in which Employee is in breach of this covenant not to compete, the time period of this covenant shall be extended for an amount of time that Employee is in breach.

9. **Inventions and Other Intellectual Property**

9.1 Employee agrees to hold in complete trust for the benefit of Opexa, and to disclose promptly and fully to Opexa in writing, and hereby assigns, and binds Employee's heirs, executors, administrators, and all legal representatives to assign, to Opexa any and all inventions, discoveries, ideas, concepts, improvements, copyrightable works, biological materials, and other developments (all of the above are collectively referred to as the "Developments") conceived, made, discovered or developed by him, solely or jointly with others, during Employee's employment by Opexa, whether during or outside of usual working hours and whether on Opexa's premises or not, which relate in any manner to the past, present or anticipated business of Opexa. Any and all such Developments shall be the sole and exclusive property of Opexa, whether patentable, copyrightable, or neither, and Employee agrees that Employee will assist and fully cooperate in every way, at Opexa's expense, in securing, maintaining, and enforcing, for the benefit of Opexa or its designee, patents, copyrights or other types of proprietary or intellectual property protection for such Developments in any and all countries. Employee acknowledges and agrees that any and all such Developments conceived, created, or authored by him within the scope of Employee's employment is a "work made for hire," as defined by the federal copyright laws, and therefore all copyrights in and to such works are and will be owned by Opexa. To the extent that Employee authors any copyrightable work in any medium during the Term of this Agreement which relates or pertains in any way to Opexa or any of the operations or activities of either and which was not prepared within the scope of Employee's employment, Employee hereby assigns all right, title, and interest, including but not limited to all rights of copyright, in and to such works to Opexa. Within six months following the termination of Employee's employment, and without limiting the generality of the foregoing, any Development of the Employee relating to any Opexa subject matter on which Employee worked or was informed during Employee's employment by Opexa shall be conclusively presumed to have been conceived and made prior to the termination of Employee's employment (unless the Employee clearly proves that such Development was conceived and made following the termination of Employee's employment), and shall accordingly belong, and be assigned, to Opexa and shall be subject to this Agreement.

9.2 Without limiting the foregoing, Employee agrees at the request of Opexa (but without additional compensation from Opexa during Employee's employment by Opexa) to execute any and all papers and perform all lawful acts which Opexa deems necessary for the preparation, filing, prosecution, and maintenance of applications for United States and foreign letters patent, or for United States and foreign copyrights, on the Developments, and to execute such instruments as are necessary or convenient to assign to Opexa, its successors, assigns or nominees, all of the Employee's right, title, and interest in the Developments and the like, so as to establish, maintain or perfect, in Opexa, its successors, assigns or nominees, the entire right, title, and interest to the Developments, and also to execute any instruments necessary or which Opexa may deem desirable in connection with any continuation, renewal or reissue thereof, or in the conduct of any proceedings or litigation in regard thereto.

9.3 All expenses incurred by the Employee by reason of the performance of any of the obligations set forth in this Section 9 on Inventions shall be borne by Opexa. Should the Employee's assistance be requested by Opexa after termination of employment, Opexa would compensate the Employee at a reasonable rate.

10. Conflicts of Interest

10.1 In keeping with Employee's fiduciary duties to Opexa, Employee agrees that Employee shall not, directly or indirectly, become involved in any conflict of interest with reference to any transaction or opportunity including Opexa ("Conflict"), or upon discovery thereof, allow such a Conflict to continue. Moreover, Employee agrees that Employee shall promptly disclose to the Board of Opexa any facts which might involve any reasonable possibility of a Conflict. Employee shall maintain the highest standards of conduct, and shall not do anything likely to injure the reputation or goodwill of Opexa, or embarrass or otherwise generate adverse publicity for or bring unwanted attention to Opexa.

10.2 It is agreed that any direct or indirect interest in, connection with, or benefit from any outside activities, particularly commercial activities, which interest might in any way adversely affect Opexa or any of its subsidiaries or affiliates, involves a possible Conflict. Circumstances in which a Conflict on the part of Employee would or might arise, and which should be reported immediately by Employee to an officer of Opexa, include, without limitation, the following: (a) ownership of a material interest in, acting in any capacity for, or accepting directly or indirectly any payments, services or loans from a supplier, contractor, subcontractor, customer or other entity with which Opexa does business; (b) misuse of information or facilities to which Employee has access in a manner which will be detrimental to Opexa's interest; (c) disclosure or other misuse of information of any kind obtained through the Employee's connection with Opexa; (d) acquiring or trading in, directly or indirectly, other properties or interests connected with the design, manufacture or marketing of products designed, manufactured or marketed by Opexa; (e) the appropriation to the Employee or the diversion to others, directly or indirectly, of any opportunity in which it is known or could reasonably be anticipated that Opexa would be interested; and (f) the ownership, directly or indirectly, of a material interest in an enterprise in competition with Opexa or its dealers and distributors or acting as a director, officer, partner, consultant, employee or agent of any enterprise which is in competition with Opexa or its dealers or distributors.

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Opexa will reimburse Employee for the costs of activities associated with the maintenance of the Employee's professional status, including the payment of licensing fees and required continuing education, expenses for professional/network meetings, as well as community activities.

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Employee does not have any unpatented inventions and discoveries made or conceived by Employee prior to Employee's employment with Opexa and which are to be excluded from this Agreement.

13. **Publicity**

13.1 Employee agrees that Opexa may use, and hereby grants Opexa the nonexclusive and worldwide right to use, Employee's name, picture, likeness, photograph, signature, or any other attribute of Employee's persona (all of such attributes are hereafter collectively referred to as "Persona") in any media for any advertising, publicity or other purpose at any time, either during or subsequent to Employee's employment by Opexa. Employee agrees that such use of Employee's Persona will not result in any invasion or violation of any privacy or property rights Employee may have; and Employee agrees that Employee will receive no additional compensation for the use of Employee's Persona. Employee further agrees that any negatives, prints or other material for printing or reproduction purposes prepared in connection with the use of Employee's Persona by Opexa shall be and are the sole property of Opexa.

13.2 Employee further agrees that at no time shall Employee write, author, publish, distribute, or cause to be published or distributed any pictorial, graphic, or literary works, such as but without limitation, books, articles, stories, or pamphlets, in any medium of expression, tangible or intangible, that relate, describe, or pertain in any way to Opexa or to the operations, activities, or employees of Opexa without first obtaining the prior written consent of the Board of Directors of Opexa to do so and also the prior written approval of the contents of any such work by the Board of Directors of Opexa.

14. **Indemnification**

Opexa shall, to the fullest extent permitted by the Texas Business Corporation Act, as amended, indemnify Employee if she is or was involved in any manner (including, but not limited to, as a party or a witness) in any threatened, pending, or completed investigation, claim, action, suit, or proceeding, whether civil, criminal, administrative, or investigative (including, but not limited to, any action, suit, or proceeding brought by or in the right of the corporation to procure a judgment in its favor) (a "Proceeding") by reason of the fact that the Employee is or was a director, officer, or employee of Opexa, against all liabilities and expenses actually and reasonably incurred by Employee in connection with such proceeding. Such indemnification shall include the right to receive payment in advance of any expenses incurred by Employee in connection with any proceeding, consistent with the provisions of the Texas Business Corporation Act, as amended. Notwithstanding the above, Employee shall not be indemnified in respect of:

- (i) a proceeding in which Employee is found liable on the basis that personal benefit was improperly received by him, whether or not the benefit resulted from an action taken in the person's official capacity;
- (ii) a proceeding in which Employee is found liable to Opexa; or
- (iii) a finding of fact in a civil judgment, binding arbitration award or binding mediation award that the Employee breached the then existing Opexa's Code of Ethics.

15. **Remedies**

Employee and Opexa agree that, because damages at law for any breach or nonperformance of this Agreement by Employee, while recoverable, are and will be inadequate, this Agreement may be enforced in equity by specific performance, injunction, accounting or otherwise.

16. **Miscellaneous**

16.1 This Agreement is made and entered into as of the date hereof and the rights and obligations of the parties hereto shall be binding upon the heirs and legal representatives of the Employee and the successors and assigns of Opexa. This Agreement may be assigned by Opexa but is personal to the Employee and no rights, duties, and obligations of Employee hereunder may be assigned.

16.2 No waiver or non-action with respect to any breach by the other party of any provision of this Agreement, nor the waiver or non-action with respect to any breach of the provisions of similar agreements with other employees shall be construed to be a waiver of any succeeding breach of such provision, or as a waiver of the provision itself.

16.3 Should any portions hereof be held to be invalid or wholly or partially unenforceable, such holding shall not invalidate or void the remainder of this Agreement. The portions held to be invalid or unenforceable shall be revised and reduced in scope so as to be valid and enforceable, or, if such is not possible, then such portions shall be deemed to have been wholly excluded with the same force and effect as if it had never been included herein.

16.4 Employee's obligations under this Agreement to Opexa shall survive the termination, for whatever reason, of Employee's employment by Opexa.

16.5 This Agreement supersedes, replaces and merges any and all prior and contemporaneous understandings, representations, agreements and discussions relating to the same or similar subject matter as that of this Agreement between Employee and Opexa and constitutes the sole and entire agreement between the Employee and Opexa with respect to the subject matter of this Agreement.

16.6 The laws of the State of Texas, excluding any conflicts of law rule or principle that might otherwise refer to the substantive law of another jurisdiction, will govern the interpretation, validity and effect of this Agreement without regard to the place of execution or the place for performance thereof, and Opexa and Employee agree that the appropriate courts in Montgomery County, Texas, shall have personal jurisdiction and venue over Opexa and Employee to hear all disputes arising under this Agreement.

16.7 All notices and other communications required or permitted hereunder or necessary or convenient in connection herewith shall be in writing and shall be deemed to have been given when mailed by registered mail or certified mail, return receipt requested, as follows:

If to Opexa, to:

2635 N. Crescent Ridge Drive
The Woodlands, TX 77381
Attn: David McWilliams

If to Employee, to:

Ms. Donna R. Rill

or to such other addresses as either party may designate by notice to the other party hereto in the manner specified in this section 16.

16.8 This Agreement may not be changed or terminated orally, and no change, termination or waiver of this Agreement or of any of the provisions herein contained shall be binding unless made in writing and signed by both parties, and in the case of Opexa, by an authorized officer of Opexa. Any change or changes, from time to time, in Employee's salary and/or duties shall not be, nor be deemed to be, a change, termination or waiver of this Agreement or of any of the provisions herein contained.

OPEXA THERAPEUTICS, INC.:

EMPLOYEE:

By: /s/ DAVID B. MCWILLIAMS

Name: David B. McWilliams

Title: President and Chief Executive Officer

By: /s/ DONNA R. RILL

Donna R. Rill

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT**

I, David B. McWilliams, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Opexa Therapeutics, Inc.;
2. Based on my knowledge, this 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 13, 2008

By: /s/ David B. McWilliams
David B. McWilliams
President and Chief Executive Officer

**CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT**

I, Lynne Hohlfeld, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Opexa Therapeutics, Inc.;
2. Based on my knowledge, this 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 13, 2008

By: /s/ Lynne Hohlfeld
Lynne Hohlfeld
Chief Financial Officer and Principal Accounting Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Opexa Therapeutics, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2008, (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, I, David B. McWilliams, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 13, 2008

By:/s/ David B. McWilliams
David B. McWilliams
President and Chief Executive Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Opexa Therapeutics, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2008, (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, I, Lynne Hohlfeld, Chief Financial Officer and Principal Accounting Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 13, 2008

By:/s/Lynne Hohlfeld
Lynne Hohlfeld
Chief Financial Officer and Principal Accounting Officer