

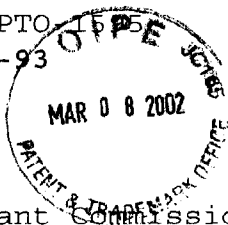
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Rev. 6-93 PTO 1505 RE(

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PATENTS ONLY

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U.S. Dept. of Commerce
Patent and Trademark Office

Assistant Commissioner for Patents
Washington, D.C. 20231
Sir:

Please record the original documents or copy thereof.

1. Name of conveying party(ies): Pharos Pharmaceuticals, Inc.
110 Grosvenor Road
Rochester, New York 10016

3-8-02

Additional Names Attached? ____ Yes X No

2. Name and address of receiving party(ies)

Name: Diosamine Development Corporation
Internal Address: 280 Madison Avenue, Suite 1110-206
New York, New York 10016
Street Address: same

City: _____ State: _____ Zip: _____
Additional Names Attached? ____ Yes X No

3. Nature of Conveyance:

X Assignment
____ Security Agreement
____ Merger
____ Change of Name
____ Other _____

Execution Date: March 1, 2002

4. Application number(s) or patent number(s):
If this document is being filed together with a new
application, the execution date of the declaration is:
_____.

A. Patent Application No.(s) 08/470501

B. Patent No.(s) _____

Additional numbers attached? X Yes ____ No

5. Name and address of party to whom correspondence concerning
document should be mailed:

Charles W. Fallow
SHOEMAKER AND MATTARE, LTD.
2001 Jefferson Davis Highway
Suite 1203
Arlington, Virginia 22202

03/14/2002 DBYRNE

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PATENT
REEL: 012666 FRAME: 0133

6. Total number of applications and patents involved: 2
7. Total fee (37 CFR 3.41) \$80.00
X Enclosed
____ Authorized to be charged to Deposit Account No. 19-2110
(if necessary).
8. Deposit Account No.: 19-2110
(Attached duplicate copy of this page if paying by deposit account)
9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Charles W. Fallow
Name of Person Signing


Signature

March 7, 2002
Date

Total Number of pages including cover sheet, attachments, and document: 4

ANNEX "A" - Schedule of Patent Applications and Patents for Pharos Pharmaceuticals, Inc.

Docket No.	Country	Serial No.
1069	US	08/470501 (Patent No.5631245)
1533		PCT/US96/08599
1571	AR	P960105401
1572	CL	2067-96
1573	CO	96063.702
1574	PE	000832.96
1575	UY	24.371
1576	VE	2081/96
2222	UY	24.407
2862	US	08/984947
2863	EP	96917988.6
2864	AU	60356/96 (Patent No. 721709)
2865	BR	PI9608435-9
2866	CA	2222915
2867	CN	96195548.1
2868	HU	P9802541
2869	IL	122401
2870	JP	09-501138
2871	MX	979751

**SECURITY AGREEMENT**

Agreement between Pharos Pharmaceuticals, Inc. ("Pharos") a corporation of California having a place of business at 110 Grosvenor Road, Rochester, New York 14610, and Diosamine Development Corporation ("Diosamine"), a corporation of California having a place of business at 280 Madison Ave. Suite 1110-206, New York, NY 10016.

Pharos, for good and valuable consideration, receipt of which is hereby acknowledged, hereby grants to Diosamine a security interest in each of the patent applications and patents listed in the Annex hereto.

Pharos warrants that it has granted no interest in said patents that is adverse to its ability to make this Agreement; however, Pharos makes no warranties as to the validity or legal status of any of the listed properties.

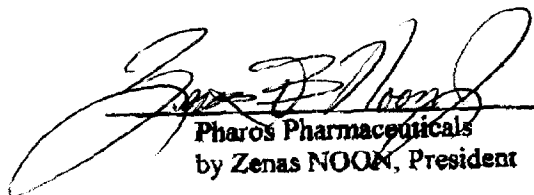
Neither party may, without the written agreement of the other party, sell, assign, mortgage, or grant licenses under any of the listed patent applications and patents while this Security Agreement is in effect.

Diosamine may, at its expense, record this document with governmental bodies such as the United States Patent and Trademark Office.

Diosamine may terminate this Agreement at any time by so advising Pharos. Pharos may not unilaterally terminate this Agreement; however, the Agreement shall terminate automatically if Diosamine becomes bankrupt or ceases legal existence.

Pharos shall be responsible for prosecuting the listed patent applications, and shall use its discretion in determining which applications to prosecute. Should it decide to abandon any pending application, it will advise Diosamine of such intention in advance, whereupon Diosamine may, at its expense, continue to prosecute such application.

March 1, 2002
(date)


Pharos Pharmaceuticals
by Zenas NOON, President

February 26, 2002
(date)

Carlos Gozzi
Diosamine Development Corporation
by Carlos GOZZI, C.F.O.

TOTAL P.02