

PATENT ASSIGNMENT

Electronic Version v1.1
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SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNMENT
CONVEYING PARTY DATA	
Name	Execution Date
Frederick D Sancilio	07/06/2010
RECEIVING PARTY DATA	
Name:	Sancilio & Company, Inc.
Street Address:	3874 Fiscal Court
Internal Address:	Suite 200
City:	Riviera Beach
State/Country:	FLORIDA
Postal Code:	33404
PROPERTY NUMBERS Total: 1	
Property Type	Number
Patent Number:	6365180
CORRESPONDENCE DATA	
Fax Number:	(212)806-6006
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	212-806-5400
Email:	rdaignault@stroock.com
Correspondent Name:	Stroock & Stroock & Lavan LLP
Address Line 1:	180 Maiden Lane
Address Line 2:	Ronald M. Daignault, Esq.
Address Line 4:	New York, NEW YORK 10038
ATTORNEY DOCKET NUMBER:	002280-0003
NAME OF SUBMITTER:	Ronald M. Daignault, Esq.

Total Attachments: 15
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**PATENT
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ASSIGNMENT OF PATENT

WHEREAS, Frederick D. Sancilio, a citizen of the United States residing at 19060 Southeast Reach Island Road, Jupiter, Florida 33458 (hereinafter referred to collectively as "ASSIGNOR"), invented certain new and useful improvements in United States Patent No. 6,365,180 ("the '180 Patent") and is co-owner of the '180 Patent by virtue of his inventorship; and

WHEREAS, Sancilio & Company, Inc., a Florida Corporation, with a place of business at 3874 Fiscal Court, Suite #200, Riviera Beach, Florida 33404 (hereinafter referred to as "ASSIGNEE"), is desirous of acquiring all of the right, title and interest of ASSIGNOR in, to and under the '180 Patent;

NOW THEREFORE, in consideration of the above premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

ASSIGNOR hereby transfers and assigns to ASSIGNEE, the entire right, title and interest of ASSIGNOR in and to the '180 Patent;

ASSIGNOR further authorizes the Commissioner of Patents and Trademarks of the United States to record the '180 Patent and title thereto as the property of the ASSIGNEE, its successors, legal representatives and assigns in accordance with the terms of this instrument; and

ASSIGNOR does also hereby sell, assign, transfer and set over unto ASSIGNEE, all of ASSIGNOR'S claims for damages by reason of past infringement of the '180 Patent, the right to sue for and collect the same for its own use and enjoyment.

IN WITNESS WHEREOF, ASSIGNOR has executed this instrument on this 6th day of July, 2010.

By: [Signature]
Frederick D. Sancilio

WITNESSED:

July 6, 2010

By: [Signature]
Print Name: WICCI LYNN COLLINS
COMMISSIONER # DD716857
EXPIRES September 19, 2011
[Seal of the Florida Department of Banking & Finance]

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

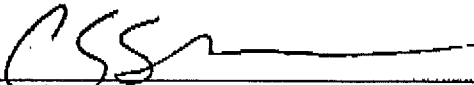
IN RE: :
: Chapter 11
AAIPHARMA, INC., *et al.*, :
: Case No. 05-11341 (CSS)
Debtors, : Jointly Administered
: :
MORTON R. BRANZBURG, :
Plan Administrator, :
: :
Plaintiff, :
: :
v. : Adv. Pro. No. 06-50923 (CSS)
: :
FREDERICK D. SANCILIO, Ph.D., : Re: Docket Nos. 916, 917 and 1178
: Adv. Docket Nos. 1, 4, 10, 13 and 29
Defendant. :
:

**ORDER APPROVING STIPULATION BY AND BETWEEN PLAN ADMINISTRATOR,
REORGANIZED DEBTORS AND FREDERICK D. SANCILIO, Ph.D. REGARDING
OBJECTIONS TO AND ALLOWANCE OF PROOFS OF CLAIM**

Upon consideration of the Stipulation (the "Stipulation") entered into between Morton R. Branzburg, Esquire, the Plan Administrator, the Reorganized Debtors¹, and Frederick D. Sancilio resolving, *inter alia*, (i) the Scheduled Claim, (ii) the Sancilio Claims, (iii) the Debtors' Objections, the (iv) the Omnibus Objection; and (v) the Counterclaim, as amended, it is hereby

ORDERED THAT, the Stipulation, which is attached as Exhibit 1, is approved as an order of this Court.

Dated: Feb. 6, 2008



Christopher S. Sontchi
United States Bankruptcy Judge

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Stipulation.

EXHIBIT 1

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

IN RE:	:	
	:	Chapter 11
AAIPHARMA, INC., <i>et al.</i> ,	:	
	:	Case No. 05-11341 (CSS)
Debtors.	:	Jointly Administered
<hr/>		
MORTON R. BRANZBURG,	:	
Plan Administrator,	:	
	:	
Plaintiff,	:	
	:	Adv. Pro. No. 06-50923 (CSS)
v.	:	
	:	
FREDERICK D. SANCILIO, Ph.D.,	:	Re: Docket Nos. 916 and 917
	:	Adv. Docket Nos. 1, 4, 10 and 13
Defendant.	:	
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**STIPULATION BY AND BETWEEN PLAN ADMINISTRATOR, REORGANIZED
DEBTORS AND FREDERICK D. SANCILIO, Ph.D. REGARDING OBJECTIONS TO
AND ALLOWANCE OF PROOFS OF CLAIM**

Morton R. Branzburg, Esquire, the Plan Administrator (the "Administrator") appointed pursuant to the Debtors' First Amended Joint Chapter 11 Plan (the "Plan") (D.I. 658) and the Order Pursuant to Section 1129 of the Bankruptcy Code Confirming the Plan (the "Confirmation Order") (D.I. 837), the Reorganized Debtors (as defined in the Plan) and Frederick D. Sancilio, Ph.D. ("Sancilio" and collectively with the Administrator and Reorganized Debtors, the "Parties") wish to enter into the following stipulation (the "Stipulation") to resolve, *inter alia*, (i) the Sancilio Claims (as defined below); (ii) the Debtors' Second Omnibus Non-Substantive Objection to Claims to Disallow and Expunge (A) Duplicate Claims, (B) Amended and Superseded Claims and (C) Late Filed Claims (D.I. 916) and Third Omnibus Substantive Objection to Claims to (A) Disallow and Expunge Claims for Which the Debtors Have No Liability and (B) Reclassify Certain Claims (D.I. 917) (collectively, the "Debtors' Objections");

(iii) the Administrator's Third Omnibus Non-Substantive Objection to Claims Pursuant to 11 U.S.C. Section 502(e)(1)(B) of the Bankruptcy Code, Fed.R.Bankr.P. 3007 and Del.Bankr.LR. 3007-1 and Motion to Subordinate Certain Claims Pursuant to Section 510(b) of the Bankruptcy Code (D.I. 1055) (the "Omnibus Objection"); and (iv) the Amended Objection to Claim #489 of Frederick D. Sancilio filed By Morton R. Branzburg, as Plan Administrator, Pursuant to 11 U.S.C. §§ 502(b)(7) and 502(d), and Counterclaims for (I) Avoidance and Recovery of Transfers (or the Value Thereof) Pursuant to 11 U.S.C. §§ 547(b), 548(a)(1), and 550, and (II) for Setoff of Avoided Transfers Against Plan Distributions (Adv. Proceeding No. 06-50923; D.I. 10).

RECITALS:

A. On May 10, 2005 (the "Petition Date"), aaiPharma, Inc. (the "Lead Debtor") and each of the other above-captioned debtors (collectively with the Lead Debtor, the "Debtors") filed a voluntary petition for relief under the Bankruptcy Code.

B. On June 24, 2005, the Lead Debtor filed its schedules of assets and liabilities (the "Schedules"). On Schedule F of its Schedules, the Lead Debtor scheduled the claim of Sancilio as an unliquidated, contingent and disputed claim in an undetermined amount (the "Scheduled Claim").

C. On August 18, 2005, Sancilio filed proofs of claim numbers 480-487, 489 and 492 (collectively, the "Sancilio Claims"). Proofs of claim numbers 480-486, together with that portion of proof of claim number 487 seeking indemnification and reimbursement, are hereinafter referred to as the "Indemnification Claims." The portion of proof of claim number 487 seeking payment of directors' fees of \$3,000 is hereinafter referred to as the "Director Fees Claim." Proof of claim number 489 filed in the approximate amount of \$2,028,506.48 is

hereinafter referred to as the "Employment Claim." Proof of claim number 492 filed in the approximate amount of \$3,650,000 is hereinafter referred to as the "Note Claim."

- D. On December 1, 2005, the Debtors filed the Plan (D.I. 658).
- E. On January 20, 2006, the Court entered the Confirmation Order (D.I. 837).
- F. On March 6, 2007, the Debtors filed the Debtors' Objections, seeking to, *inter alia*, (i) disallow duplicative Indemnification Claims and Senior Secured Note Claims (as defined in the Plan) filed by Sancilio, and (ii) reclassify the Director Fees Claim and the portion of the Employment Claim filed as a priority claim to General Unsecured Claims (as defined in the Plan). Sancilio lodged informal responses in opposition to the Debtors' Objections.
- G. On September 29, 2006, the Administrator filed the Omnibus Objection seeking to, *inter alia*, disallow the Indemnification Claims pursuant to 11 U.S.C. § 502(e)(1)(B) (D.I. 1055).
- H. On November 8, 2006, Sancilio filed a Response to the Omnibus Objection (D.I. 1063).
- I. On November 15, 2006, the Administrator filed the Objection to Claim Number 489 of Frederick D. Sancilio filed by Morton R. Branzburg, as Plan Administrator, Pursuant to 11 U.S.C. §§ 502(b)(7) and 502(d), and Counterclaims for (I) Avoidance and Recovery of Transfers (or the Value Thereof) Pursuant to 11 U.S.C. §§ 547(b), 548(a)(1), and 550, and (II) for Setoff of Avoided Transfers Against Plan Distributions (as subsequently amended, the "Counterclaims") and thereby initiated the above-captioned adversary proceeding against Sancilio (Adv. D.I. 1).
- J. On December 15, 2006, Sancilio filed the Answer and Separate Defenses of Defendant Frederick D. Sancilio, Ph.D to Objection to Claim #489 of Frederick D. Sancilio filed

by Morton R. Branzburg, as Plan Administrator, Pursuant to 11 U.S.C. §§ 502(b)(7) and 502(d), and Counterclaims for (I) Avoidance and Recovery of Transfers (or the Value Thereof) Pursuant to 11 U.S.C. §§ 547(b), 548(a)(1), and 550, and (II) for Setoff of Avoided Transfers Against Plan Distributions. (Adv. D.I. 4).

K. On March 27, 2007, the Administrator filed the Amended Objection to Claim #489 of Frederick D. Sancilio filed by Morton R. Branzburg, as Plan Administrator, Pursuant to 11 U.S.C. §§ 502(b)(7) and 502(d), and Counterclaims for (I) Setoff of Unearned Bonus Payments Against Plan Distributions (II) Avoidance and Recovery of Transfers (or the Value Thereof) Pursuant to 11 U.S.C. §§ 547(b), 548(a)(1), and 550, and (III) Setoff of Avoided Transfers. (Adv. D.I. 10).

L. On April 4, 2007, Sancilio filed the Answer and Separate Defenses to Defendant Frederick D. Sancilio, Ph.D. to Amended Objection to Claim #489 of Frederick D. Sancilio filed by Morton R. Branzburg, as Plan Administrator, Pursuant to 11 U.S.C. §§ 502(b)(7) and 502(d), and Counterclaims for (I) Setoff of Unearned Bonus Payments Against Plan Distributions (II) Avoidance and Recovery of Transfers (or the Value Thereof) Pursuant to 11 U.S.C. §§ 547(b), 548(a)(1), and 550 and (III) Setoff of Avoided Transfers Against Plan Distributions. (Adv. D.I. 13).

M. In order to avoid the risks and costs associated with litigation, the Parties have reached an agreement resolving, *inter alia*, the Scheduled Claim, the Sancilio Claims, the Debtors' Objections, the Omnibus Objection and the Counterclaims, as set forth below.

NOW, THEREFORE, in consideration of the foregoing recitals and of the following terms and provisions, in order to avoid the cost and inconvenience of litigation, it is hereby stipulated and agreed as follows:

1. The Scheduled Claim was superseded by the Sancilio Claims.

2. The Indemnification Claims shall be disallowed and expunged in full; *provided that* nothing herein shall prejudice Sancilio's right, if any, to indemnification from the Reorganized Debtors (as defined in the Plan) pursuant to Section 15.05 of the Plan, as amended by Paragraph 8(viii) of the Confirmation Order.

3. The Director Fees Claim shall be allowed as a General Unsecured Claim (as defined in the Plan) in the amount of Three Thousand Dollars (\$3,000) (the "Allowed Director Fees Claim"). The Allowed Director Fees Claim shall not be subject to any further objection, offset, recoupment, or other reduction.

4. The Employment Claim shall be reduced and allowed as (i) a Priority Claim (as defined in the Plan) in the amount of Five Thousand Dollars (\$5,000) and (ii) a General Unsecured Claim (as defined in the Plan) in the amount of Three Hundred Thousand Dollars (\$300,000); *provided that* if the total amount available for distribution to General Unsecured Claims exceeds Six Million Dollars (\$6,000,000), the unsecured portion of the Employment Claim shall be reduced and allowed as a General Unsecured Claim (as defined in the Plan) in the amount of Six Hundred Thousand Dollars (\$600,000); *provided further that* if the total amount available for distribution to General Unsecured Claims exceeds Eight Million Dollars (\$8,000,000), the unsecured portion of the Employment Claim shall be reduced and allowed as a General Unsecured Claim (as defined in the Plan) in the amount of Seven Hundred Thousand Dollars (\$700,000) (the "Allowed Employment Claim" and, together with the Allowed Director Fees Claim, collectively the "Allowed Sancilio Claims"). The Allowed Employment Claim shall not be subject to any further objection, offset, recoupment, or other reduction.

5. The Note Claim shall be disallowed in full and expunged as duplicative of proof of claim number 419 filed by Wachovia Bank, N.A. as Indenture Trustee on behalf of the Senior Secured Notes (as defined in the Plan).

6. Payments on the priority portion of the Allowed Sancilio Claims shall be made by the Reorganized Debtors within ten (10) days of the entry of this Stipulation. Payments on the unsecured portion of the Allowed Sancilio Claims shall be made by the Administrator contemporaneously with payments to other unsecured creditors as provided in the Plan. All payments on the Allowed Sancilio Claims shall be made payable to "Riker, Danzig, Scherer, Hyland & Perretti LLP, as Attorneys for Fred Sancilio, Ph.D." and delivered to Sancilio's counsel, Riker, Danzig, Scherer, Hyland & Perretti LLP, Attn: J. Alex Kress, Esq., One Speedwell Avenue, Morristown, NJ 07962-1982.

7. Upon request, Sancilio shall provide the Administrator (and his attorneys and agents) with reasonable cooperation, assistance and support in connection with the Designated Litigation (as defined in the Plan), which shall include (i) providing background information related to the Designated Litigation, and (ii) appearing and testifying as a fact witness at any hearings or proceedings relating to the Designated Litigation. Sancilio shall receive reasonable reimbursement from the Litigation LLC for any actual out-of-pocket expenses incurred in connection with such cooperation, assistance and support.

8. The Administrator (for himself and the Debtors' bankruptcy estates) and Sancilio (collectively, the "Administrator Release Parties") stipulate and agree that this Stipulation fairly, fully and finally resolves the Scheduled Claim, the Sancilio Claims, the Omnibus Objection, the Counterclaims, and any other claims or causes of action arising from or otherwise related to the Sancilio Claims, the Counterclaims or any other matters which

were or could have been asserted in the Debtors' bankruptcy cases, whether known or unknown, foreseen or unforeseen, held by the Administrator Release Parties against one another, their affiliates, employees, heirs, successors, agents, and estates. The Administrator Release Parties release, remise and forever discharge each other and their respective affiliates, officers, directors, employees, heirs, successors, agents and attorneys of and from all claims, obligations, liabilities, manner of actions, causes of action, suits, debts, dues, sums of money, accounts, covenants, controversies, agreements, promises, damages, judgments, executions, claims and demands whatsoever, in law and in equity, whether known or unknown, foreseen or unforeseen; *except that* nothing herein shall release, remise or discharge the Administrator Release Parties' respective rights and obligations under this Stipulation.

9. The Reorganized Debtors (for themselves and their bankruptcy estates) and Sancilio (collectively, the "Debtor Release Parties") stipulate and agree that this Stipulation fairly, fully and finally resolves the Scheduled Claim, the Sancilio Claims, the Omnibus Objection, and any other claims or causes of action arising from or otherwise related to the Sancilio Claims or any other matters which were or could have been asserted in the Debtors' bankruptcy cases, whether known or unknown, foreseen or unforeseen, held by the Debtor Release Parties against one another, their affiliates, employees, heirs, successors, agents, and estates. The Debtor Release Parties release, remise and forever discharge each other and their respective affiliates, officers, directors, employees, heirs, relatives, successors, agents and attorneys of and from all claims, obligations, liabilities, manner of actions, causes of action, suits, debts, dues, sums of money, accounts, covenants, controversies, agreements, promises, damages, judgments, executions, claims and demands whatsoever, in law and in equity, whether known or unknown, foreseen or unforeseen; *except that* nothing herein shall release,

remise or discharge the Debtor Release Parties' respective rights and obligations under this Stipulation.

10. The Stipulation is subject to approval of the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). Upon execution of this Stipulation, the Administrator shall take all reasonable and necessary actions to obtain the Bankruptcy Court's approval of this Stipulation.

11. This Stipulation constitutes the complete expression of the agreement of the Parties hereto concerning the subject matter hereof, and no modification of or amendment to this Stipulation shall be valid unless it is in writing, signed by the Party or Parties to be charged, and approved by the Bankruptcy Court.

12. Each of the Parties shall bear its own attorneys' fees and costs with respect to the issues subject to this Stipulation.

13. This Stipulation shall be governed by and construed in accordance with the laws of the State of Delaware in effect on the date of the execution of this Stipulation.

14. The Bankruptcy Court shall retain jurisdiction to resolve any disputes or controversy arising from or related to this Stipulation.

15. Neither the existence of this Stipulation, nor its contents, nor of any negotiations, discussions, statements or proceedings in connection with this Stipulation shall be deemed or constitute a presumption, concession or admission by any of the Parties of any fault, liability or wrongdoing as to any facts or claims alleged or asserted in the Sancilio Claims, the Debtors' Objections, the Omnibus Objection and/or the Counterclaims. The existence of the Stipulation or its contents, or of any negotiations, statements or proceedings in connection therewith, shall not be offered or admitted in evidence or referred to,

interpreted, construed, invoked, or otherwise used by any person for any purpose in any other action, litigation or proceeding, except as may be necessary to enforce or obtain Bankruptcy Court approval of this Stipulation.

16. Subject to Bankruptcy Court approval, the Parties each represent that (a) this Stipulation (i) has been duly and validly authorized, executed and delivered by such Party, and (ii) is the legal, valid and binding obligation of such Party, and (b) it has full power and authority to perform its obligations hereunder.

17. This Stipulation may be executed in counterparts, any of which may be transmitted by facsimile, and each of which should be deemed an original and all of which together shall constitute one and the same instrument.

REED SMITH LLP

By: 

Kurt F. Gwynne, Esquire (No. 3951)
J. Cory Falgowski, Esquire (No. 4546)
1201 Market Street, Suite 1500
Wilmington, DE 19801
(302) 778-7500 (Phone)
(302) 778-7575 (Fax)
kgwynne@reedsmith.com
ifalgowski@reedsmith.com

Attorneys for Plan Administrator

MORRIS JAMES LLP

By:

Carl N. Kunz, III, Esquire (No. 3201)
Thomas M. Horan, Esquire (No. 4641)
500 Delaware Avenue, Suite 1500
P.O. Box 2306
Wilmington, DE 19899-2306
(302) 888-6800 (Phone)
(302) 571-1750 (Fax)
ckunz@morrisjames.com
thoran@morrisjames.com

-and-

RIKER, DANZIG, SCHERER,
HYLAND & PERRETTI LLP
J. Alex Kress, Esq.
Seth H. Lieberman, Esq.
Headquarters Plaza
One Speedwell Avenue
P.O. Box 2306
Morristown, NJ 07962-1981
(973) 451-8453 (Phone)
akress@riker.com
slieberman@riker.com

Attorneys for Frederick D. Sancilio, Ph.D.

REED SMITH LLP

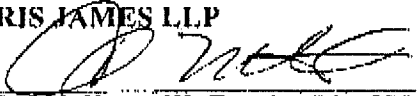
By:

Kurt F. Gwynne, Esquire (No. 3951)
J. Cory Falgowski, Esquire (No. 4546)
1201 Market Street, Suite 1500
Wilmington, DE 19801
(302) 778-7500 (Phone)
(302) 778-7575 (Fax)
kgwynne@reedsmith.com
jfalgowski@reedsmith.com

Attorneys for Plan Administrator

MORRIS JAMES LLP

By:


Carl N. Kunz, III, Esquire (No. 3201)
Thomas M. Horan, Esquire (No. 4641)
500 Delaware Avenue, Suite 1500
P.O. Box 2306
Wilmington, DE 19899-2306
(302) 888-6800 (Phone)
(302) 571-1750 (Fax)
ckunz@morrisjames.com
thoran@morrisjames.com

-and-

**RIKER, DANZIG, SCHIERER,
HYLAND & PERRETTI LLP**
J. Alex Kress, Esq.
Seth H. Lieberman, Esq.
Headquarters Plaza
One Speedwell Avenue
P.O. Box 2306
Morristown, NJ 07962-1981
(973) 451-8453 (Phone)
akress@riker.com
sliberman@riker.com

Attorneys for Frederick D. Sancilio, Ph.D.

RICHARDS, LAYTON & FINGER, P.A.

By 

Mark D. Collins (No. 2981)
Jason M. Madron (No. 4431)
One Rodney Square
920 North King Street
Wilmington, Delaware 19801
(302) 651-7700 (Phone)
(302) 651-7701 (Fax)
Collins@rlf.com
Madron@rlf.com

Attorneys for Reorganized Debtors