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FINANCIAL STATEMENTS

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2014

or

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File No. 000-54871

BioPharmX Corporation
(Exact name of registrant as specified in its charter)

Delaware	**59-3843182**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
1098 Hamilton Court, Menlo Park, California	**94025**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **650-889-5020**

Securities registered pursuant to Section 12(b) of the Act: None.

Securities registered pursuant to Section 12(g) of the Act: Common Stock, $0.001 Par Value.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes o No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No ☒

Indicate by checkmark 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 o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer o	Accelerated filer o	Non-accelerated filer o (Do not check if a	Smaller reporting company ☒

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 o No ☒

As of June 30, 2014, the last day of the Registrant's most recently completed second fiscal quarter, the aggregate market value of the shares of the Registrant's common stock held by non-affiliates was $1,300,000. Shares of the Registrant's common stock held by each executive officer and director and by each person who owns 10 percent or more of the outstanding common stock have been excluded in that such persons may be deemed to be affiliates of the Registrant. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of March 24, 2015, there were outstanding 11,415,416 shares of the registrant's common stock, $.001 par value.

Documents incorporated by reference: None.

BioPharmX Corporation

Form 10-K

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This Annual Report on Form 10-K, including the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," contains forward-looking statements regarding future events and our future results that are subject to the safe harbors created under the Securities Act of 1933, as amended (the Securities Act), and the Securities Exchange Act of 1934, as amended (the Exchange Act). Words such as "expect," "anticipate," "target," "goal," "project," "hope," "intend," "plan," "believe," "seek," "estimate," "continue," "may," "could," "should," "might," variations of such words and similar expressions are intended to identify such forward-looking statements. In addition, any statements other than statements of historical fact are forward-looking statements, including statements regarding overall trends, operating cost and revenue trends, liquidity and capital needs and other statements of expectations, beliefs, future plans and strategies, anticipated events or trends and similar expressions. We have based these forward-looking statements on our current expectations about future events. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Our actual results may differ materially from those suggested by these forward-looking statements for various reasons. Given these risks, uncertainties and assumptions you are cautioned not to place undue reliance on forward-looking statements. The forward-looking statements included in this report are made only as of the date hereof. Except as required under federal securities laws and the rules and regulations of the Securities and Exchange Commission (SEC), we do not undertake, and specifically decline, any obligation to update any of these statements or to publicly announce the results of any revisions to any forward-looking statements after the distribution of this report, whether as a result of new information, future events, changes in assumptions or otherwise.

Unless the context otherwise requires, we use the terms "BioPharmX," "company," "we," "us" and "our" in this Annual Report on Form 10-K to refer to BioPharmX Corporation and its subsidiary.

PART I

ITEM 1. BUSINESS

Overview

BioPharmX Corporation is incorporated under the laws of the State of Delaware and originally incorporated on August 30, 2010 in Nevada under the name Thompson Designs, Inc. We have one wholly-owned subsidiary, BioPharmX, Inc., a Nevada corporation. Our headquarters are located at 1098 Hamilton Court, Menlo Park, California.

We are a specialty pharmaceutical company focused on utilizing our proprietary drug delivery technologies to develop and commercialize novel prescription and over-the-counter, or OTC, products that address large markets in women's health and dermatology. Our objective is to develop products that treat health or age-related conditions that: (1) are not presently being addressed or treated at all or (2) are currently treated with drug therapies or drug delivery approaches that are sub-optimal. Our strategy is designed to bring new products to market by identifying optimal delivery mechanisms and/or alternative applications for FDA-approved active pharmaceutical ingredients, or APIs, while, in appropriate circumstances, reducing the time, cost and risk typically associated with new product development by repurposing drugs with demonstrated safety profiles and taking advantage of the regulatory approval pathway under Section 505(b)(2) of the Federal Food, Drug, and Cosmetic Act, or FDC Act. We believe the 505(b)(2) regulatory pathway may reduce drug development risk and could reduce the time and resources we spend during development. Our current platform technologies include innovative delivery mechanisms for molecular iodine, or I_2, and antibiotics.

Our management team has experience in formulation development, intellectual property generation, clinical trial execution, regulatory strategy definition and commercialization of products through licensing as well as direct to consumer. Our business model is to outsource our manufacturing and at times commercialization activities in order to maintain our focus on technology sourcing, acquisitions, and strategic partner development to create new products to address unmet needs in well-defined global markets. Our current portfolio of product candidates targets significant market opportunities and includes two clinical stage product candidates: (1) BPX01, a topical antibiotic for the treatment of acne and (2) BPX03, a molecular iodine (I_2) tablet for the treatment of benign breast pain associated with fibrocystic breast condition, or FBC, and cyclic mastalgia.

Since our inception, we have devoted our efforts to developing our product candidates including conducting preclinical and clinical trials and providing general and administrative support for these operations, and we commercially launched our breast health dietary supplement at the end of 2014. To date we have not generated any revenue from product sales. We have financed our operations primarily through the sale of equity securities and convertible debt securities from which we raised $9.6 million of net cash from our inception through December 31, 2014.

Share Exchange

On January 23, 2014, we (then operating as Thompson Designs, Inc.), BioPharmX, Inc. and stockholders of BioPharmX, Inc., who collectively owned 100% of BioPharmX, Inc., entered into and consummated transactions pursuant to a share exchange agreement, such transaction referred to as the Share Exchange, whereby we issued to the stockholders of BioPharmX, Inc. an aggregate of 7,025,000 shares of our common stock, in exchange for 100% of the shares of BioPharmX, Inc. held by stockholders. The shares of our common stock received by the stockholders of BioPharmX, Inc. in the Share Exchange constituted approximately 77.8% of our then issued and outstanding common stock, after giving effect to the issuance of shares pursuant to the share exchange agreement. As a result of the Share Exchange, BioPharmX, Inc. became our wholly-owned subsdidiary. For accounting purposes, the Share Exchange was treated as a reverse acquisition with BioPharmX, Inc. as the acquirer and us

as the acquired party, and as a result the historical financial statements prior to the Share Exchange included in this Annual Report on Form 10-K are the historical financial statements of BioPharmX, Inc. On March 3, 2014, we changed our name to BioPharmX Corporation. On April 25, 2014, we reincorporated from Nevada to Delaware.

Our Product Candidates

Our first commercial product, VI_2OLET iodine, is a once-a-day OTC dietary supplement molecular iodine tablet that promotes overall breast health and is for the alleviation of benign breast pain associated with fibrocystic breast condition, or FBC. We launched VI_2OLET iodine in December 2014 and are rolling out the product in drug store and retail chains throughout the United States. We are also developing a prescription molecular iodine tablet, BPX03, for the treatment of benign breast pain associated with FBC and cyclic mastalgia, intended for global distribution, where products such as ours may require a prescription due to regulatory requirements. We are preparing to conduct clinical studies under institutional review board, or IRB, oversight to inform the study design for our Phase 3 safety and efficacy study. We are planning to commence a Phase 3 clinical trial for BPX03 to support FDA and foreign regulatory requirements upon completion of the IRB studies and submission of our investigational new drug application, or IND, for BPX03. We shall seek approval only in those countries where we will seek to market the prescription product. It is our intent to commence a Phase 3 study in 2016.

We are also developing BPX01, a non-lipophilic, topical antibiotic for the treatment of acne. BPX01 utilizes a transepidermal delivery mechanism for minocycline and other APIs that we believe has the potential to kill p. acnes bacteria without the systemic side effects of orally-administered antibiotics. In addition, BPX01 has been shown in pre-clinical studies to possess anti-inflammatory properties, which reduce swelling and slow hyper-cornification. We are currently conducting an animal toxicity study, after which we expect to submit our IND to the FDA to initiate our first Phase 2a clinical trial of BPX01. We are also preparing to conduct a bridging safety study using oral minocycline as the comparator and a Phase 2 dose-finding clinical study for BPX01. We intend to pursue regulatory approval under Section 505(b)(2) of the FDC Act. We believe the 505(b)(2) regulatory pathway, which permits us to rely in part on FDA's prior findings of safety and/or efficacy for an approved product, may reduce the drug development risk and could reduce the time and resources we spend during development of BPX01.

Our product pipeline includes additional applications for the delivery of iodine, FDA-approved antibiotics, and biologics. Product candidates may be developed for delivery in oral, topical, inhalant and/or injectable forms depending on the platform technology employed and the underlying condition being treated.

Target Markets

We believe that the industry dynamics in the areas of women's health and dermatology represent significant opportunities for innovative new products to emerge as attractive solutions for unmet needs in multi-billion dollar therapeutic categories. In particular, we believe that both the women's health and dermatology markets are large specialty markets with significant global patient demand. We believe that our focus on these markets coupled with our proprietary platform technologies will enable us to develop and commercialize attractive products within these areas of women's health and dermatology.

Products and Pipeline

Overview

Our product portfolio has been developed using our proprietary drug delivery technologies including innovative delivery mechanisms for molecular iodine and antibiotics. We currently have one marketed product, VI_2OLET iodine, and two clinical-stage product candidates, BPX01 and BPX03.

VI_2OLET Iodine

Our first commercial product, VI_2OLET iodine, is the only OTC molecular iodine dietary supplement that addresses cyclic breast discomfort and is clinically demonstrated to alleviate the symptoms associated with fibrocystic breast changes including tenderness, swelling and aches. Our patented molecular iodine (I_2) formula is delivered to breast tissue and reduces the breast cell build-up that results in breast discomfort. Women who suffer from menstrual-related breast discomfort are recommended to take one tablet per day on an empty stomach for at least 60 days to realize initial symptom relief. They may take a second tablet every evening if they have more severe symptoms. Additionally, with consistent daily use, VI_2OLET iodine has been shown to help maintain healthy breast tissue.

The product is currently available for sale in approximately 2,960 CVS retail pharmacy chains and 650 Vitamin Shoppe stores throughout the United States, as well as online through drugstore.com and walgreens.com.

The commercial launch of VI_2OLET iodine is supported by an extensive consumer marketing program targeting women between the ages of 30 and 44. With a combination of brand and shopper marketing, both nationally and locally, we generate awareness, engagement, education, consideration and purchase interest.

BPX03

In addition to our VI_2OLET iodine product, we are also developing BPX03, a prescription drug version of our molecular iodine (I_2) tablet for the treatment of benign breast pain associated with FBC and cyclic mastalgia. We have licensed the patent rights to a set of iodine technologies. The licensors previously sponsored and completed Phase 1 and Phase 2 clinical studies. We intend to approach the FDA in 2016 for a pre-IND discussion regarding the study design for a Phase 3 clinical trial intended to commence in 2016 with a new IND submission.

BPX01

We are developing BPX01, a novel, topical formulation of minocycline. BPX01 delivers minocycline directly to the target sebaceous glands in the skin. We believe that our proprietary topical minocycline acne treatment is designed to have several advantages compared to both orally-administered and other topically-administered retinoid- and antibiotic-based solutions. Since BPX01 is not administered orally, its delivery route to the target site is not primarily through the bloodstream, and it therefore has the potential to lower the risk of systemic side effects common to orally-administered antibiotics. The gel form of BPX01, when applied topically, is designed to penetrate through the intercellular space among corneocytes in the stratum corneum to increase the delivery of the antibiotic at low dosages directly to the affected area. Unlike other topical lipophilic solutions formulated to ensure active pharmaceutical ingredient, or API, stability, BPX01 is non-lipophilic, which improves the aesthetic appearance and feel of the topical and is designed to allow the topical to be absorbed more quickly by the skin, and, we believe, without sacrificing long-term API stability.

Research and Development

Our core competency is providing the link between concept and commercialization through focused, practical product development based on innovative research. We employ highly-qualified scientists and consultants specializing in our various product development areas.

As a Silicon Valley-based company, we are located in a region with many strong biotechnology and pharmaceutical companies, which have drawn a high caliber of scientists and scientific support staff to the region. While there is intense competition for this type of personnel, we believe our location will enable us to expand our product development and consultant resources as our business grows. Our location also provides us with convenient access to local formulation resources and pre-clinical testing facilities.

Technology and Intellectual Property

Overview

Our success depends in large part upon our ability to obtain and maintain proprietary protection for our products and platform technologies. Our goal is to develop a strong intellectual property portfolio that enables us to capitalize on the research and development that we have performed to date and will perform in the future, particularly for each of the products in our development pipeline and each of the products marketed by us. We rely on a combination of patent, copyright, trademark and trade secret laws in the United States and other countries to obtain and maintain our intellectual property. We protect our intellectual property by, among other methods, filing for patent applications on inventions that are important to the development and conduct of our business with the United States Patent and Trademark Office and its foreign counterparts.

We also rely on a combination of non-disclosure, confidentiality, and other contractual restrictions to protect our technologies and intellectual property. We require our employees and consultants to execute confidentiality agreements in connection with their employment or consulting relationships with us. We also require them to agree to disclose and assign to us all inventions conceived in connection with the relationship.

Patents

Patent protection is an important aspect of our product development process and we are actively developing intellectual property in-house. In addition to an aggressive licensing strategy, we have several pending patent applications related to our novel iodine-based technologies for women's health and topical compositions for dermatological conditions. We have both United States provisional and utility patent applications pending. We also have pending international patent applications, which were filed according to the Patent Cooperation Treaty and which enable us to apply for patent protection for the described inventions in key individual countries in the future.

Our patent applications may not result in issued patents and we cannot assure you that any patents that issue will provide a competitive advantage. Moreover, any patents issued to us may be challenged by third parties as invalid or parties may independently develop similar or competing technology or design around our patents. We cannot be certain that the steps we have taken will prevent the misappropriation of our intellectual property, particularly in foreign countries where the laws may not protect our proprietary rights as fully as in the United States.

On March 1, 2013, we entered into a collaboration and license agreement with Iogen LLC, or Iogen, to license certain patents, formulations, and know-how relating to molecular iodine formulations. Our license is an exclusive, royalty-bearing license agreement with the right to enforce and sublicense. These patents have expiration dates between 2017 and 2029.

Strategic Alliances and Partnerships

We have entered into strategic alliances/partnerships with Iogen and NuTech Medical, Inc., or NuTech.

Iogen

We have executed collaboration and licensing agreements with Iogen, a biotechnology company with iodine-based solutions and associated intellectual property. Our molecular iodine dietary OTC product, VI_2OLET iodine, and the development of our molecular iodine prescription product, BPX03, build upon this licensed technology and its associated intellectual property. Under the terms of the agreement, we received an exclusive worldwide perpetual irrevocable license to Iogen's patented technology relating to an oral iodine tablet. In consideration of the license granted under the agreement, we agreed to pay to Iogen a non-refundable license issue fee of $150,000, which we paid in full, and 30% of net profit associated with direct commercialization of an OTC iodine tablet product or 30% of net royalties received from any sub-licensee. For other products developed and commercialized using licensed technology and associated intellectual property covered by this agreement, including a prescription iodine tablet, we agreed to pay to Iogen a royalty of 3% of net sales for the first 12 months of commercialization and 2% of net sales thereafter.

NuTech

We have executed a collaboration and supply agreement with NuTech, a biologics company specializing in the spinal and orthopedics market. This agreement describes the collaboration between Nutech and us to develop products in the field of dermatology. Products and intellectual property developed under this agreement are exclusively owned by us and licensed to NuTech for use in indications outside of dermatology. In exchange for an exclusive license to NuTech's intellectual property in the field of dermatology, we will pay to NuTech a royalty of 3% of net sales on product sold in the field of dermatology. In exchange for granting NuTech an exclusive license to our intellectual property and intellectual property developed in collaboration with NuTech in indications outside of dermatology, we shall receive from NuTech a royalty of 3% of net sales on products sold by them.

Trademarks

We have applied for trademark protection for several trademarks in the United States. The United States Patent and Trademark Office has issued us a Notice of Acceptance of Statement of Use for the trademark "VIOLET" which means the mark will now register barring any extraordinary circumstances. We have received a Notice of Allowance from the United States Patent and Trademark Office for "BIOPHARMX," "VI_2OLET," and "GET IT OFF YOUR CHEST." In the future, we may apply for trademark protection for one or more of these trademarks in key markets outside the United States.

Manufacturing, Supply and Production

Suppliers

The company has in place a commercial supply agreement with UPM Pharmaceuticals, or UPM, to manufacture and package its VI_2OLET iodine tablets. As our volume grows, we will consider expanding to multiple suppliers to mitigate the risk of having a single source. Our joint development agreement with NuTech specifies that NuTech will supply materials for certain of our dermatological products.

Manufacturing

The company utilizes contract manufacturers to produce its products for commercial distribution. We have no plans to establish in-house manufacturing capabilities for large-scale production at this time.

UPM, an independent drug development and contract manufacturer serving the pharmaceutical and biotechnology industries and a division of Gregory Pharmaceutical Holdings, Inc., manufactures solid dose iodine supplement tablets for our VI_2OLET iodine product. VI_2OLET iodine is manufactured at UPM's 475,000 square-foot manufacturing facility in Bristol, Tennessee, under a commercial supply agreement. UPM provides high-quality drug development services including formulation development, the FDA's current good manufacturing practices, or cGMP clinical and commercial manufacturing, analytical methods development and stability testing. As our volume grows, we will consider expanding to multiple manufacturers to mitigate the risk of having a single source.

Marketing, Sales & Distribution

We plan to commercialize women's health and dermatology products in our pipeline into various channels, beginning with our VI_2OLET iodine dietary supplement, which we launched in December 2014 and are currently rolling out in drug stores and retail chains throughout the United States.

Our product launch for VI_2OLET iodine is supported by a marketing program, including in-store merchandising, a digital strategy focused on education and activation, public relations events and traditional media to drive awareness and a physician and pharmacist influencer program.

Customers

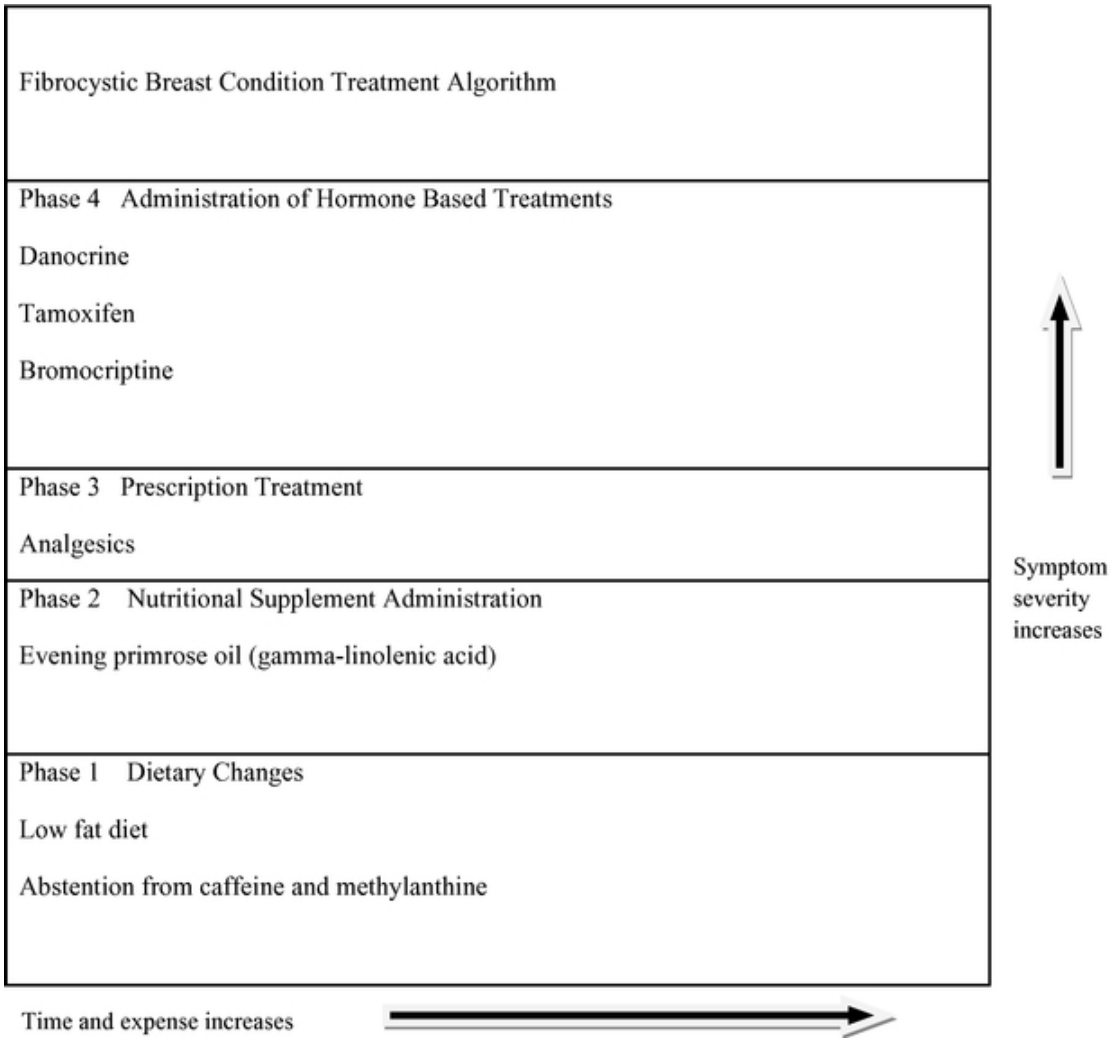
Potential customers for our products and product candidates include: pharmaceutical companies physician's practices, including OB-Gyn's, dermatologists and general practioners; and retail customers via retail sales channels and/or pharmacy outlets.

Competition

FBC and Cyclic Mastalgia

Our competitors, typically large pharmaceutical companies, vary from product to product. In the area of women's health, many companies sell iodine supplements, mostly for the purpose of delivering iodine with iodide salts to address hypothyroidism as iodine replacement therapy, as opposed to targeting breast tissue. We believe our competitive advantage is our solid dose proprietary formulation which delivers molecular iodine in a stable manner allowing the consumer to ingest orally and specifically to address breast symptoms. Addressing a condition that has long been neglected, we believe that VI_2OLET iodine dietary supplement and, if approved, BPX03, are essentially new products in a new category.

The following figure presents a typical treatment algorithm for FBC given the current/limited options available to physicians.



Some limitations of competitive approaches to addressing FBC and/or cyclic mastalgia include serious and sometimes dangerous side effects caused by prescription drugs and the temporary nature of relief provided by analgesics. Because optimal solutions do not exist, the majority of women choose to live with chronic pain.

Acne

While the acne market has a number of competitive products, BPX01 is being developed to combine the most successful oral approach for the treatment of moderate-severe acne without systemic side effects with a targeted topical antibiotic technology specifically designed to localize the delivery of the API. At the present time, there is no FDA-approved topical solution for this API that provides similar or equal clinical efficacy to that of oral treatments.

A number of approved prescription acne products currently exist in oral form such as isotretinoins, antibiotics, antimicrobials and contraceptives. These treatments are marketed by a number of large pharmaceutical and specialty pharmaceutical companies including, but not limited to, Valeant, Allergan, Pharmacia, Pfizer, Galderma S.A., Teva, and Bayer Healthcare. Additionally, there are also several

prescription acne products that exist in topical form such as antimicrobials, retinoids, or some combination of the two. The majority of these topical solutions are marketed by GlaxoSmithKline, Galderma S.A., Allergan, Valeant, and Mylan.

In addition to prescription acne therapies discussed above, there are numerous OTC products in the form of benzoyl peroxide and salicylic acid topical solutions available from various cosmetic and cosmeceutical companies such as Neutrogena, Clean & Clear, Aveeno, Proactiv, and Clearasil. Energy-based devices have also been widely used by dermatologists, such as intense pulsed light, or IPL, by Ellipse and combination of IPL and radiofrequency, or RF, devices, elos, by Syneron. Combination drug-device treatments such as photodynamic therapy, or PDT, with Blu-U by Dusa Pharmaceuticals, has been used off-label for treating acne, while the Blu-U light source without its PDT drug has been indicated for acne treatment.

Government Regulation

In the United States, foods (including dietary supplements), drugs (including biological products), medical devices, cosmetics, tobacco products, and radiation-emitting products are subject to extensive regulation by the FDA. The FDC Act and other federal and state statutes and regulations govern, among other things, the manufacture, distribution, and sale of these products. These laws and regulations prescribe criminal and civil penalties that can be assessed, and violation of these laws and regulations can result in enforcement action by the FDA and other regulatory agencies.

Regulation of Dietary Supplements

The formulation, manufacturing, packaging, labeling, advertising, distribution and sale (hereafter, "sale" or "sold" may be used to signify all of these activities) of dietary supplements are subject to regulation by one or more federal agencies, primarily the FDA and the Federal Trade Commission, or the FTC, and to a lesser extent the Consumer Product Safety Commission, or the CPSC.

Dietary supplements are also regulated by various governmental agencies for the states and localities in which product are sold. Among other matters, regulation by the FDA and the FTC is concerned with product safety, efficacy, and claims made with respect to a dietary supplement's ability to provide health related benefits. The FDA, under the FDC Act, regulates the formulation, manufacturing, packaging, labeling, distribution and sale of food, including dietary supplements. The FTC regulates the advertising of these products. The National Advertising Division, or NAD, of the Council of Better Business Bureaus oversees an industry sponsored, self-regulatory system that permits competitors to resolve disputes over advertising claims. The NAD has no enforcement authority of its own, but may refer matters that appear to violate the Federal Trade Commission Act, or FTC Act, or the FDC Act to the FTC or the FDA for further action, as appropriate.

Federal agencies, primarily the FDA and the FTC, have a variety of procedures and enforcement remedies available to them, including initiating investigations, issuing warning letters and cease and desist orders, requiring corrective labeling or advertising, requiring consumer redress (for example, requiring that a company offer to repurchase products previously sold to consumers), seeking injunctive relief or product seizures, imposing civil penalties or commencing criminal prosecution. In addition, certain state agencies have similar authority.

The Dietary Supplement Health and Education Act, or DSHEA, was enacted in 1994 and amended the FDC Act. DSHEA establishes a statutory class of dietary supplements, which includes vitamins, minerals, herbs, amino acids and other dietary ingredients for human use to supplement the diet. Dietary ingredients marketed in the U.S. before October 15, 1994 may be marketed without the submission of a new dietary ingredient, or NDI, premarket notification to the FDA. Dietary ingredients not marketed in the U.S. before October 15, 1994 may require the submission, at least 75 days before marketing, of an NDI notification containing information establishing that the ingredient is reasonably

expected to be safe for its intended use. Among other things, DSHEA prevents the FDA from regulating dietary ingredients in dietary supplements as food additives.

The FDA issued a draft guidance document in July 2011 that clarifies when the FDA believes a dietary ingredient is an NDI, when a manufacturer or distributor must submit an NDI premarket notification to the FDA, the evidence necessary to document the safety of an NDI and the methods for establishing the identity of an NDI. The FDA's interpretation of what constitutes an NDI is extremely broad and seems to imply that virtually every new dietary supplement requires a premarket notification. Although the industry has objected and questioned FDA's authority, it is unclear whether the FDA will make any changes to the draft guidance, and, if the agency does make changes, what changes will be made. In addition, the FDA may begin to take enforcement actions consistent with the interpretations in the draft guidance before issuing a final version.

The FDA's current good manufacturing practices, or cGMPs, regulations for dietary supplements apply to manufacturers and holders of finished dietary supplement products, including dietary supplements manufactured outside the U.S. that are imported for sale into the U.S. Among other things, the FDA's cGMPs: (a) require identity testing on all incoming dietary ingredients, (b) call for a scientifically valid system for ensuring finished products meet all specifications, (c) include requirements related to process controls, including statistical sampling of finished batches for testing and requirements for written procedures and (d) require extensive recordkeeping.

Under the Dietary Supplement and Nonprescription Drug Consumer Protection Act, FDA requires, among other things, that companies that manufacture or distribute nonprescription drugs or dietary supplements report serious adverse events associated with their products to the FDA and institute recordkeeping requirements for all adverse events. Based on serious adverse event (or other) information, the FDA or another agency may take actions against dietary supplements or dietary ingredients that in its determination present a significant or unreasonable risk of illness or injury, which could make it illegal to sell those products.

The FDA Food Safety Modernization Act, or FSMA, enacted January 4, 2011, amended the FDC Act to significantly enhance FDA's authority over various aspects of food regulation, including dietary supplements. Under FSMA, FDA may use the mandatory recall authority when the FDA determines there is a reasonable probability that a food is adulterated or misbranded and that the use of, or exposure to, the food will cause serious adverse health consequences or death to humans or animals. Also under FSMA, FDA has expanded access to records; the authority to suspend food facility registrations and require high risk imported food to be accompanied by a certification; stronger authority to administratively detain food; the authority to refuse admission of an imported food if it is from a foreign establishment to which a U.S. inspector is refusing entry for an inspection; and the requirement that importers verify that the foods they import meet domestic standards.

One of FSMA's more significant changes is the requirement of preventive controls for food facilities required to register with the FDA, except dietary supplement facilities in compliance with both cGMPs and the serious adverse event reporting requirements. Although dietary supplement facilities are exempt from the preventive controls requirements, dietary ingredient facilities might not qualify for the exemption. The FDA's proposed preventive controls regulations, issued in February 2013 and supplemented in September 2014, would require that facilities develop and implement preventive controls (including supplier controls) to assure that identified hazards are significantly minimized or prevented, monitor the effectiveness of the preventive controls, and maintain numerous records related to those controls. FSMA also requires that importers implement a foreign supplier verification program, or FSVP. The FDA's proposed FSVP regulations, issued in July 2013 and supplemented in September 2014, would require importers to implement supplier verification activities to ensure that the foods they import meet domestic standards, with a partial exemption that might or might not apply to

certain importers of dietary ingredients. When implemented, the FSVP requirements may affect the cost and the availability of dietary supplements and dietary ingredients.

The new FSMA requirements, as well as the FDA enforcement of the NDI draft guidance, can result in the detention and refusal of admission of imported products, the injunction of manufacturing of any dietary ingredients or dietary supplements until the FDA determines that such ingredients or products are in compliance, and the potential imposition of fees for re-inspection of noncompliant facilities.

The FDC Act, as amended by DSHEA, permits statements of nutritional support often referred to as "structure/function claims" to be included in labeling for dietary supplements without FDA pre-market approval. FDA regulation requires that FDA be notified of those statements within 30 days of marketing. Among other things, the statements may describe the role of a dietary ingredient intended to affect the structure or function of the body or characterize the documented mechanism of action by which a dietary ingredient maintains such structure or function, but may not expressly or implicitly represent that a dietary supplement will diagnose, cure, mitigate, treat, or prevent a disease. A company that uses a statement of nutritional support in labeling must possess information substantiating that the statement is truthful and not misleading. If the FDA determines that a particular statement of nutritional support is an unacceptable drug claim or an unauthorized version of a health claim, or if the FDA determines that a particular claim is not adequately supported by existing information or is otherwise false or misleading, the claim could not be used and any product bearing the claim could be subject to regulatory action.

The FTC and the FDA have pursued a coordinated effort to challenge the scientific substantiation for dietary supplement claims. Their efforts to date have focused on manufacturers and marketers as well as media outlets and have resulted in a significant number of investigations and enforcement actions, some resulting in civil penalties under the FTC Act of several million dollars. If the FTC and the FDA continue to focus on health related claims, including structure/function claims for dietary supplements, dietary supplements could be the subject of FTC and/or FDA inquiries, inquiries from the NAD and states Attorney Generals, as well as private class action lawsuits.

All states regulate foods and drugs under laws that generally parallel federal statutes. These products are also subject to state consumer health and safety regulations, such as California Safe Drinking Water and Toxic Enforcement Act of 1986, or Proposition 65. Violation of Proposition 65 may result in substantial monetary penalties.

FDA Regulation of Drugs

New Drug Approval Process

Pharmaceutical products are subject to extensive regulation by the FDA. The FDC Act, and other federal and state statutes and regulations, govern, among other things, the research, development, testing, manufacture, storage, recordkeeping, approval, labeling, promotion and marketing, distribution, post-approval monitoring and reporting, sampling, and import and export of pharmaceutical products. Failure to comply with applicable U.S. requirements may subject a company to a variety of administrative or judicial sanctions, such as FDA refusal to approve pending new drug applications, or NDAs, warning or untitled letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, civil penalties, and criminal prosecution.

Pharmaceutical product development for a new product or certain changes to an approved product in the United States typically involves preclinical laboratory and animal tests, the submission to the FDA of an investigational new drug application, or IND, which must become effective before clinical testing may commence, and adequate and well-controlled clinical trials to establish the safety and effectiveness of the drug for each indication for which FDA approval is sought. Satisfaction of FDA

pre-market approval requirements typically takes many years and the actual time required may vary substantially based upon the type, complexity, and novelty of the product or disease.

Preclinical tests include laboratory evaluation of product chemistry, formulation, and toxicity, as well as animal trials to assess the characteristics and potential safety and efficacy of the product. The conduct of the preclinical tests must comply with federal regulations and requirements, including good laboratory practices. The results of preclinical testing are submitted to the FDA as part of an IND along with other information, including information about product chemistry, manufacturing and controls, and a proposed clinical trial protocol. Long term preclinical tests, such as animal tests of reproductive toxicity and carcinogenicity, may continue after the IND is submitted.

A 30-day waiting period after the submission of each IND is required prior to the commencement of clinical testing in humans. If the FDA has neither commented on nor questioned the IND within this 30-day period, the clinical trial proposed in the IND may begin.

Clinical trials involve the administration of the investigational new drug to healthy volunteers or patients under the supervision of a qualified investigator. Clinical trials must be conducted: (i) in compliance with federal regulations; (ii) in compliance with good clinical practice, or GCP, an international standard meant to protect the rights and health of patients and to define the roles of clinical trial sponsors, administrators, and monitors; as well as (iii) under protocols detailing the objectives of the trial, the parameters to be used in monitoring safety, and the effectiveness criteria to be evaluated. Each protocol involving testing on U.S. patients and subsequent protocol amendments must be submitted to the FDA as part of the IND.

The FDA may order the temporary, or permanent, discontinuation of a clinical trial at any time, or impose other sanctions, if it believes that the clinical trial is not being conducted in accordance with FDA requirements or presents an unacceptable risk to the clinical trial patients. The study protocol and informed consent information for patients in clinical trials must also be submitted to an institutional review board, or IRB, for approval. An IRB may also require the clinical trial at the site to be halted, either temporarily or permanently, for failure to comply with the IRB's requirements, or may impose other conditions.

Clinical trials to support NDAs for marketing approval are typically conducted in three sequential phases, but the phases may overlap. In Phase 1, the initial introduction of the drug into healthy human subjects or patients, the drug is tested to assess metabolism, pharmacokinetics, pharmacological actions, side effects associated with increasing doses, and, if possible, early evidence on effectiveness. Phase 2 usually involves trials in a limited patient population to determine the effectiveness of the drug for a particular indication, dosage tolerance, and optimum dosage, and to identify common adverse effects and safety risks. If a compound demonstrates evidence of effectiveness and an acceptable safety profile in Phase 2 evaluations, Phase 3 trials are undertaken to obtain the additional information about clinical efficacy and safety in a larger number of patients, typically at geographically dispersed clinical trial sites, to permit the FDA to evaluate the overall benefit-risk relationship of the drug and to provide adequate information for the labeling of the drug. In most cases the FDA requires two adequate and well-controlled Phase 3 clinical trials to demonstrate the efficacy of the drug. A single Phase 3 trial with other confirmatory evidence may be sufficient in rare instances where the study is a large multicenter trial demonstrating internal consistency and a statistically very persuasive finding of a clinically meaningful effect on mortality, irreversible morbidity or prevention of a disease with a potentially serious outcome and confirmation of the result in a second trial would be practically or ethically impossible.

After completion of the required clinical testing, an NDA is prepared and submitted to the FDA. FDA approval of the NDA is required before marketing of the product may begin in the U.S. The NDA must include the results of all preclinical, clinical, and other testing and a compilation of data relating to the product's pharmacology, chemistry, manufacture, and controls. The cost of preparing

and submitting an NDA is substantial. The submission of most NDAs is additionally subject to a substantial application user fee, currently exceeding $2,335,000, and the manufacturer and/or sponsor under an approved new drug application are also subject to annual product and establishment user fees, currently exceeding $110,000 per product and $569,000 per establishment. These fees are typically increased annually.

The FDA has 60 days from its receipt of an NDA to determine whether the application will be accepted for filing based on the agency's threshold determination that it is sufficiently complete to permit substantive review. Once the submission is accepted for filing, the FDA begins an in-depth review. The FDA has agreed to certain performance goals in the review of new drug applications. Most such applications for standard review drug products are reviewed within ten to twelve months; most applications for priority review drugs are reviewed in six to eight months. Priority review can be applied to drugs that the FDA determines offer major advances in treatment, or provide a treatment where no adequate therapy exists. For biologics, priority review is further limited to drugs intended to treat a serious or life-threatening disease relative to the currently approved products. The review process for both standard and priority review may be extended by the FDA for three additional months to consider certain late-submitted information, or information intended to clarify information already provided in the submission.

The FDA may also refer applications for novel drug products, or drug products that present difficult questions of safety or efficacy, to an advisory committee —typically a panel that includes clinicians and other experts—for review, evaluation, and a recommendation as to whether the application should be approved. The FDA is not bound by the recommendation of an advisory committee, but it generally follows such recommendations. Before approving an NDA, the FDA will typically inspect one or more clinical sites to assure compliance with GCP. Additionally, the FDA will inspect the facility or the facilities at which the drug is manufactured. The FDA will not approve the product unless compliance with current good manufacturing practices, or cGMPs, is satisfactory and the NDA contains data that provide substantial evidence that the drug is safe and effective in the indication studied.

After FDA evaluates the NDA and the manufacturing facilities, it issues either an approval letter or a complete response letter. A complete response letter generally outlines the deficiencies in the submission and may require substantial additional testing, or information, in order for the FDA to reconsider the application. If, or when, those deficiencies have been addressed to the FDA's satisfaction in a resubmission of the NDA, the FDA will issue an approval letter. FDA has committed to reviewing such resubmissions in two or six months depending on the type of information included.

An approval letter authorizes commercial marketing of the drug with specific prescribing information for specific indications. As a condition of NDA approval, the FDA may require a risk evaluation and mitigation strategy, or REMS, to help ensure that the benefits of the drug outweigh the potential risks. REMS can include medication guides, communication plans for healthcare professionals, and elements to assure safe use, or ETASU. ETASU can include, but are not limited to, special training or certification for prescribing or dispensing, dispensing only under certain circumstances, special monitoring, and the use of patient registries. The requirement for a REMS can materially affect the potential market and profitability of the drug. Moreover, product approval may require substantial post-approval testing and surveillance to monitor the drug's safety or efficacy. Once granted, product approvals may be withdrawn if compliance with regulatory standards is not maintained or problems are identified following initial marketing.

Changes to some of the conditions established in an approved application, including changes in indications, labeling, or manufacturing processes or facilities, require submission and FDA approval of a new NDA or NDA supplement before the change can be implemented. An NDA supplement for a new indication typically requires clinical data similar to that in the original application, and the FDA uses the same procedures and actions in reviewing NDA supplements as it does in reviewing NDAs.

Pediatric Information

Under the Pediatric Research Equity Act, or PREA, NDAs or supplements to NDAs must contain data to assess the safety and effectiveness of the drug for the claimed indications in all relevant pediatric subpopulations and to support dosing and administration for each pediatric subpopulation for which the drug is safe and effective. The FDA may grant full or partial waivers, or deferrals, for submission of data. Unless otherwise required by regulation, PREA does not apply to any drug for an indication for which orphan designation has been granted.

The Best Pharmaceuticals for Children Act, or BPCA, provides NDA holders a six-month extension of any exclusivity—patent or non-patent—for a drug if certain conditions are met. Conditions for exclusivity include the FDA's determination that information relating to the use of a new drug in the pediatric population may produce health benefits in that population, the FDA making a written request for pediatric studies, and the applicant agreeing to perform, and reporting on, the requested studies within the statutory timeframe. Applications under the BPCA are treated as priority applications, with all of the benefits that designation confers.

Disclosure of Clinical Trial Information

Sponsors of clinical trials of FDA-regulated products, including drugs, are required to register and disclose certain clinical trial information. Information related to the product, patient population, phase of investigation, study sites and investigators, and other aspects of the clinical trial is then made public as part of the registration. Sponsors are also obligated to discuss the results of their clinical trials after completion. Disclosure of the results of these trials can be delayed until the new product or new indication being studied has been approved. Competitors may use this publicly available information to gain knowledge regarding the progress of development programs.

The Hatch-Waxman Amendments

Orange Book Listing

In seeking approval for a drug through an NDA, applicants are required to list with the FDA each patent whose claims cover the applicant's product. Upon approval of a drug, each of the patents listed in the application for the drug is then published in the FDA's Approved Drug Products with Therapeutic Equivalence Evaluations, commonly known as the Orange Book. Drugs listed in the Orange Book can, in turn, be cited by potential generic competitors in support of approval of an abbreviated new drug application, or ANDA. An ANDA provides for marketing of a drug product that has the same active ingredients in the same strengths and dosage form as the listed drug and has been shown through bioequivalence testing to be therapeutically equivalent to the listed drug. Other than the requirement for bioequivalence testing, ANDA applicants are not required to conduct, or submit results of, pre-clinical or clinical tests to prove the safety or effectiveness of their drug product. Drugs approved in this way are commonly referred to as "generic equivalents" to the listed drug, and can often be substituted by pharmacists under prescriptions written for the original listed drug.

The ANDA applicant is required to certify to the FDA concerning any patents listed for the approved product in the FDA's Orange Book. Specifically, the applicant must certify that: (i) the required patent information has not been filed; (ii) the listed patent has expired; (iii) the listed patent has not expired, but will expire on a particular date and approval is sought after patent expiration; or

(iv) the listed patent is invalid or will not be infringed by the new product. The ANDA applicant may also elect to submit a section viii statement certifying that its proposed ANDA label does not contain (or carves out) any language regarding the patented method-of-use rather than certify to a listed method-of-use patent. If the applicant does not challenge the listed patents, the ANDA application will not be approved until all the listed patents claiming the referenced product have expired.

A certification that the new product will not infringe the already approved product's listed patents, or that such patents are invalid, is called a Paragraph IV certification. If the ANDA applicant has provided a Paragraph IV certification to the FDA, the applicant must also send notice of the Paragraph IV certification to the NDA and patent holders once the ANDA has been accepted for filing by the FDA. The NDA and patent holders may then initiate a patent infringement lawsuit in response to the notice of the Paragraph IV certification. The filing of a patent infringement lawsuit within 45 days of the receipt of a Paragraph IV certification automatically prevents the FDA from approving the ANDA until the earlier of 30 months, expiration of the patent, settlement of the lawsuit, or a decision in the infringement case that is favorable to the ANDA applicant.

The ANDA application also will not be approved until any applicable non-patent exclusivity listed in the Orange Book for the referenced product has expired.

Exclusivity

Upon NDA approval of a new chemical entity or NCE, which is a drug that contains no active moiety that has been approved by the FDA in any other NDA, that drug receives five years of marketing exclusivity during which FDA cannot receive any ANDA seeking approval of a generic version of that drug. Certain changes to a drug, such as the addition of a new indication to the package insert, are associated with a three-year period of exclusivity during which FDA cannot approve an ANDA for a generic drug that includes the change.

An ANDA may be submitted one year before NCE exclusivity expires if a Paragraph IV certification is filed. If there is no listed patent in the Orange Book, there may not be a Paragraph IV certification, and, thus, no ANDA may be filed before the expiration of the exclusivity period.

Patent Term Extension

After NDA approval, owners of relevant drug patents may apply for up to a five year patent extension. The allowable patent term extension is calculated as half of the drug's testing phase—the time between IND application and NDA submission—and all of the review phase—the time between NDA submission and approval up to a maximum of five years. The time can be shortened if the FDA determines that the applicant did not pursue approval with due diligence. The total patent term after the extension may not exceed 14 years.

For patents that might expire during the application phase, the patent owner may request an interim patent extension. An interim patent extension increases the patent term by one year and may be renewed up to four times. For each interim patent extension granted, the post-approval patent extension is reduced by one year. The director of the U.S. Patent and Trademark Office must determine that approval of the drug covered by the patent for which a patent extension is being sought is likely. Interim patent extensions are not available for a drug for which an NDA has not been submitted.

Section 505(b)(2) New Drug Applications

Most drug products obtain FDA marketing approval pursuant to an NDA or an ANDA. A third alternative is a special type of NDA, commonly referred to as a Section 505(b)(2), or 505(b)(2), NDA,

which enables the applicant to rely, in part, on the FDA's previous approval of a similar product, or published literature, in support of its application.

505(b)(2) NDAs often provide an alternate path to FDA approval for new or improved formulations or new uses of previously approved products. Section 505(b)(2) permits the filing of an NDA where at least some of the information required for approval comes from studies not conducted by, or for, the applicant and for which the applicant has not obtained a right of reference. If the 505(b)(2) applicant can establish that reliance on the FDA's previous approval is scientifically appropriate, it may eliminate the need to conduct certain preclinical or clinical studies of the new product. The FDA may also require companies to perform additional studies or measurements to support the change from the approved product. The FDA may then approve the new product candidate for all, or some, of the label indications for which the referenced product has been approved, as well as for any new indication sought by the Section 505(b)(2) applicant.

To the extent that the Section 505(b)(2) applicant is relying on studies conducted for an already approved product, the applicant is required to certify to the FDA concerning any patents listed for the approved product in the Orange Book to the same extent that an ANDA applicant would. Thus approval of a 505(b)(2) NDA can be stalled until all the listed patents claiming the referenced product have expired, until any non-patent exclusivity, such as exclusivity for obtaining approval of a new chemical entity, listed in the Orange Book for the referenced product has expired, and, in the case of a Paragraph IV certification and subsequent patent infringement suit, until the earlier of 30 months, settlement of the lawsuit or a decision in the infringement case that is favorable to the Section 505(b)(2) applicant.

Post-Approval Requirements

Once an NDA is approved, a product will be subject to certain post-approval requirements. For instance, the FDA closely regulates the post-approval marketing and promotion of drugs, including standards and regulations for direct-to-consumer advertising, off-label promotion, industry-sponsored scientific and educational activities and promotional activities involving the internet. Drugs may be marketed only for the approved indications and in accordance with the provisions of the approved labeling.

Adverse event reporting and submission of periodic reports is required following FDA approval of an NDA. The FDA also may require post-marketing testing, known as Phase 4 testing, risk evaluation and mitigation strategies, or REMS, and surveillance to monitor the effects of an approved product, or the FDA may place conditions on an approval that could restrict the distribution or use of the product. In addition, quality-control, drug manufacture, packaging, and labeling procedures must continue to conform to cGMPs after approval. Drug manufacturers and certain of their subcontractors are required to register their establishments with the FDA and certain state agencies. Registration with the FDA subjects entities to periodic unannounced inspections by the FDA, during which the agency inspects manufacturing facilities to assess compliance with cGMPs. Accordingly, manufacturers must continue to expend time, money, and effort in the areas of production and quality-control to maintain compliance with cGMPs. Regulatory authorities may withdraw product approvals or request product recalls if a company fails to comply with regulatory standards, if it encounters problems following initial marketing, or if previously unrecognized problems are subsequently discovered.

Regulation Outside the United States

In order to market any product outside of the United States, a company must also comply with numerous and varying regulatory requirements of other countries and jurisdictions regarding quality, safety and efficacy and governing, among other things, clinical trials, marketing authorization, commercial sales and distribution of drug products. Whether or not it obtains FDA approval for a

product, the company would need to obtain the necessary approvals by the comparable foreign regulatory authorities before it can commence clinical trials or marketing of the product in those countries or jurisdictions. The approval process ultimately varies between countries and jurisdictions and can involve additional product testing and additional administrative review periods. The time required to obtain approval in other countries and jurisdictions might differ from and be longer than that required to obtain FDA approval. Regulatory approval in one country or jurisdiction does not ensure regulatory approval in another, but a failure or delay in obtaining regulatory approval in one country or jurisdiction may negatively impact the regulatory process in others.

Regulation and Marketing Authorization in the European Union

The process governing approval of medicinal products in the European Union follows essentially the same lines as in the United States and, likewise, generally involves satisfactorily completing each of the following:

- preclinical laboratory tests, animal studies and formulation studies all performed in accordance with the applicable E.U. Good Laboratory Practice regulations;
- submission to the relevant national authorities of a clinical trial application, or CTA, which must be approved before human clinical trials may begin;
- performance of adequate and well-controlled clinical trials to establish the safety and efficacy of the product for each proposed indication;
- submission to the relevant competent authorities of a marketing authorization application, or MAA, which includes the data supporting safety and efficacy as well as detailed information on the manufacture and composition of the product in clinical development and proposed labelling;
- satisfactory completion of an inspection by the relevant national authorities of the manufacturing facility or facilities, including those of third parties, at which the product is produced to assess compliance with strictly enforced current cGMP;
- potential audits of the non-clinical and clinical trial sites that generated the data in support of the MAA; and
- review and approval by the relevant competent authority of the MAA before any commercial marketing, sale or shipment of the product.

Preclinical Studies

Preclinical tests include laboratory evaluations of product chemistry, formulation and stability, as well as studies to evaluate toxicity in animal studies, in order to assess the potential safety and efficacy of the product. The conduct of the preclinical tests and formulation of the compounds for testing must comply with the relevant E.U. regulations and requirements. The results of the preclinical tests, together with relevant manufacturing information and analytical data, are submitted as part of the CTA.

Clinical Trial Approval

Requirements for the conduct of clinical trials in the European Union including Good Clinical Practice, or GCP, are implemented in the Clinical Trials Directive 2001/20/EC and the GCP Directive 2005/28/EC. Pursuant to Directive 2001/20/EC and Directive 2005/28/EC, as amended, a system for the approval of clinical trials in the European Union has been implemented through national legislation of the member states. Under this system, approval must be obtained from the competent national authority of an E.U. member state in which a study is planned to be conducted, or in multiple member states if the clinical trial is to be conducted in a number of member states. To this end, a CTA is

submitted, which must be supported by an investigational medicinal product dossier, or IMPD, and further supporting information prescribed by Directive 2001/20/EC and Directive 2005/28/EC and other applicable guidance documents. Furthermore, a clinical trial may only be started after a competent ethics committee has issued a favorable opinion on the clinical trial application in that country.

In April 2014, the E.U. legislator passed the new Clinical Trials Regulation, (EU) No 536/2014, which will replace the current Clinical Trials Directive 2001/20/EC. To ensure that the rules for clinical trials are identical throughout the European Union, the new E.U. clinical trials legislation was passed as a regulation that is directly applicable in all E.U. member states. All clinical trials performed in the European Union are required to be conducted in accordance with the Clinical Trials Directive 2001/20/EC until the new Clinical Trials Regulation (EU) No 536/2014 becomes applicable, which will be no earlier than May 28, 2016.

The new Regulation (EU) No 536/2014 aims to simplify and streamline the approval of clinical trial in the European Union. The main characteristics of the regulation include:

- A streamlined application procedure via a single entry point, the E.U. portal.
- A single set of documents to be prepared and submitted for the application as well as simplified reporting procedures that will spare sponsors from submitting broadly identical information separately to various bodies and different member states.
- A harmonized procedure for the assessment of applications for clinical trials, which is divided in two parts. Part I is assessed jointly by all member states concerned. Part II is assessed separately by each member state concerned.
- Strictly defined deadlines for the assessment of clinical trial application.
- The involvement of the ethics committees in the assessment procedure in accordance with the national law of the member state concerned but within the overall timelines defined by the Regulation Regulation (EU) No 536/2014.

Marketing Authorization

Authorization to market a product in the member states of the European Union proceeds under one of four procedures: a centralized authorization procedure, a mutual recognition procedure, a decentralized procedure or a national procedure.

Centralized Authorization Procedure

The centralized procedure enables applicants to obtain a marketing authorization that is valid in all E.U. member states based on a single application. Certain medicinal products, including products developed by means of biotechnological processes, must undergo the centralized authorization procedure for marketing authorization, which, if granted by the European Commission, is automatically valid in all 28 E.U. member states. The EMA and the European Commission administer this centralized authorization procedure pursuant to Regulation (EC) No 726/2004.

Pursuant to Regulation (EC) No 726/2004, this procedure is mandatory for:

- medicinal products developed by means of one of the following biotechnological processes:
    - recombinant DNA technology;
    - controlled expression of genes coding for biologically active proteins in prokaryotes and eukaryotes including transformed mammalian cells; and
    - hybridoma and monoclonal antibody methods;

- advanced therapy medicinal products as defined in Article 2 of Regulation (EC) No. 1394/2007 on advanced therapy medicinal products;
- medicinal products for human use containing a new active substance that, on the date of effectiveness of this regulation, was not authorized in the European Union, and for which the therapeutic indication is the treatment of any of the following diseases:
    - acquired immune deficiency syndrome;
    - cancer;
    - neurodegenerative disorder;
    - diabetes;
    - auto-immune diseases and other immune dysfunctions; and
    - viral diseases;
- medicinal products that are designated as orphan medicinal products pursuant to Regulation (EC) No 141/2000.

The centralized authorization procedure is optional for other medicinal products if they contain a new active substance or if the applicant shows that the medicinal product concerned constitutes a significant therapeutic, scientific or technical innovation or that the granting of authorization is in the interest of patients in the European Union.

Administrative Procedure

Under the centralized authorization procedure, the EMA's Committee for Human Medicinal Products, or CHMP, serves as the scientific committee that renders opinions about the safety, efficacy and quality of medicinal products for human use on behalf of the EMA. The CHMP is composed of experts nominated by each member state's national authority for medicinal products, with expert appointed to act as Rapporteur for the co-ordination of the evaluation with the possible assistance of a further member of the Committee acting as a Co-Rapporteur. After approval, the Rapporteur(s) continue to monitor the product throughout its life cycle. The CHMP has 210 days to adopt an opinion as to whether a marketing authorization should be granted. The process usually takes longer in case additional information is requested, which triggers clock-stops in the procedural timelines. The process is complex and involves extensive consultation with the regulatory authorities of member states and a number of experts. When an application is submitted for a marketing authorization in respect of a drug that is of major interest from the point of view of public health and in particular from the viewpoint of therapeutic innovation, the applicant may pursuant to Article 14(9) Regulation (EC) No 726/2004 request an accelerated assessment procedure. If the CHMP accepts such request, the time-limit of 210 days will be reduced to 150 days but it is possible that the CHMP can revert to the standard time-limit for the centralized procedure if it considers that it is no longer appropriate to conduct an accelerated assessment. Once the procedure is completed, a European Public Assessment Report, or EPAR, is produced. If the opinion is negative, information is given as to the grounds on which this conclusion was reached. After the adoption of the CHMP opinion, a decision on the MAA must be adopted by the European Commission, after consulting the E.U. member states, which in total can take more than 60 days.

Conditional Approval

In specific circumstances, E.U. legislation (Article 14(7) Regulation (EC) No 726/2004 and Regulation (EC) No 507/2006 on Conditional Marketing Authorisations for Medicinal Products for Human Use) enables applicants to obtain a conditional marketing authorization prior to obtaining the

comprehensive clinical data required for an application for a full marketing authorization. Such conditional approvals may be granted for product candidates (including medicines designated as orphan medicinal products) if (1) the risk-benefit balance of the product candidate is positive, (2) it is likely that the applicant will be in a position to provide the required comprehensive clinical trial data, (3) the product fulfills unmet medical needs and (4) the benefit to public health of the immediate availability on the market of the medicinal product concerned outweighs the risk inherent in the fact that additional data are still required. A conditional marketing authorization may contain specific obligations to be fulfilled by the marketing authorization holder, including obligations with respect to the completion of ongoing or new studies, and with respect to the collection of pharmacovigilance data. Conditional marketing authorizations are valid for one year, and may be renewed annually, if the risk-benefit balance remains positive, and after an assessment of the need for additional or modified conditions and/or specific obligations. The timelines for the centralized procedure described above also apply with respect to the review by the CHMP of applications for a conditional marketing authorization.

Marketing Authorization under Exceptional Circumstances

Under Article 14(8) Regulation (EC) No 726/2004, products for which the applicant can demonstrate that comprehensive data (in line with the requirements laid down in Annex I of Directive 2001/83/EC, as amended) cannot be provided (due to specific reasons foreseen in the legislation) might be eligible for marketing authorization under exceptional circumstances. This type of authorization is reviewed annually to reassess the risk-benefit balance. The fulfillment of any specific procedures/obligations imposed as part of the marketing authorization under exceptional circumstances is aimed at the provision of information on the safe and effective use of the product and will normally not lead to the completion of a full dossier/approval.

Market Authorizations Granted by Authorities of E.U. Member States

In general, if the centralized procedure is not followed, there are three alternative procedures as pecribed in Directive 2001/83/EC:

- The decentralized procedure allows applicants to file identical applications to several E.U. member states and receive simultaneous national approvals based on the recognition by E.U. member states of an assessment by a reference member state.

- The national procedure is only available for products intended to be authorized in a single E.U. member state.

- A mutual recognition procedure similar to the decentralized procedure is available when a marketing authorization has already been obtained in at least one E.U. member state.

A marketing authorization may be granted only to an applicant established in the European Union.

Pediatric Studies

Prior to obtaining a marketing authorization in the European Union, applicants have to demonstrate compliance with all measures included in an EMA-approved Paediatric Investigation Plan, or PIP, covering all subsets of the paediatric population, unless the EMA has granted a product-specific waiver, a class waiver, or a deferral for one or more of the measures included in the PIP. The respective requirements for all marketing authorization procedures are set forth in Regulation (EC) No 1901/2006, which is referred to as the Pediatric Regulation. This requirement also applies when a company wants to add a new indication, pharmaceutical form or route of administration for a medicine that is already authorized. The Pediatric Committee of the EMA, or PDCO, may grant deferrals for

some medicines, allowing a company to delay development of the medicine in children until there is enough information to demonstrate its effectiveness and safety in adults. The PDCO may also grant waivers when development of a medicine in children is not needed or is not appropriate, such as for diseases that only affect the elderly population.

Before a marketing authorization application can be filed, or an existing marketing authorization can be amended, the EMA determines that companies actually comply with the agreed studies and measures listed in each relevant PIP.

Periods of Authorization and Renewals

A marketing authorization is valid for five years in principle and the marketing authorization may be renewed after five years on the basis of a re-evaluation of the risk-benefit balance by the EMA or by the competent authority of the authorizing member state. To this end, the marketing authorization holder must provide the EMA or the competent authority with a consolidated version of the file in respect of quality, safety and efficacy, including all variations introduced since the marketing authorization was granted, at least six months before the marketing authorization ceases to be valid. Once renewed, the marketing authorization is valid for an unlimited period, unless the European Commission or the competent authority decides, on justified grounds relating to pharmacovigilance, to proceed with one additional five-year renewal. Any authorization which is not followed by the actual placing of the drug on the E.U. market (in case of centralized procedure) or on the market of the authorizing member state within three years after authorization ceases to be valid (the so-called sunset clause).

Regulatory Data Protection

E.U. legislation also provides for a system of regulatory data and market exclusivity. According to Article 14(11) of Regulation (EC) No 726/2004, as amended, and Article 10(1) of Directive 2001/83/EC, as amended, upon receiving marketing authorization, new chemical entities approved on the basis of complete independent data package benefit from eight years of data exclusivity and an additional two years of market exclusivity. Data exclusivity prevents regulatory authorities in the European Union from referencing the innovator's data to assess a generic (abbreviated) application. During the additional two-year period of market exclusivity, a generic marketing authorization can be submitted, and the innovator's data may be referenced, but no generic medicinal product can be marketed until the expiration of the market exclusivity. The overall ten-year period will be extended to a maximum of 11 years if, during the first eight years of those ten years, the marketing authorization holder, or MAH, obtains an authorization for one or more new therapeutic indications which, during the scientific evaluation prior to their authorization, are held to bring a significant clinical benefit in comparison with existing therapies. Even if a compound is considered to be a new chemical entity and the innovator is able to gain the period of data exclusivity, another company nevertheless could also market another version of the drug if such company obtained marketing authorization based on an MAA with a complete independent data package of pharmaceutical test, preclinical tests and clinical trials. However, products designated as orphan medicinal products enjoy, upon receiving marketing authorization, a period of ten years of orphan market exclusivity. Depending upon the timing and duration of the E.U. marketing authorization process, products may be eligible for up to five years' supplementary protection certificates, or SPCs, pursuant to Regulation (EC) No 469/2009. Such SPCs extend the rights under the basic patent for the drug.

Regulatory Requirements After a Marketing Authorization has been Obtained

If we obtain authorization for a medicinal product in the European Union, we will be required to comply with a range of requirements applicable to the manufacturing, marketing, promotion and sale of medicinal products:

Pharmacovigilance and other requirements

We will, for example, have to comply with the E.U.'s stringent pharmacovigilance or safety reporting rules, pursuant to which post-authorization studies and additional monitoring obligations can be imposed. Other requirements relate, for example, to the manufacturing of products and APIs in accordance with good manufacturing practice standards. E.U. regulators may conduct inspections to verify our compliance with applicable requirements, and we will have to continue to expend time, money and effort to remain compliant. Non-compliance with E.U. requirements regarding safety monitoring or pharmacovigilance, and with requirements related to the development of products for the pediatric population, can also result in significant financial penalties in the European Union. Similarly, failure to comply with the E.U.'s requirements regarding the protection of individual personal data can also lead to significant penalties and sanctions. Individual E.U. member states may also impose various sanctions and penalties in case we do not comply with locally applicable requirements.

Manufacturing

The manufacturing of authorized drugs, for which a separate manufacturer's license is mandatory, must be conducted in strict compliance with the EMA's Good Manufacturing Practices, or GMP, requirements and comparable requirements of other regulatory bodies in the European Union, which mandate the methods, facilities and controls used in manufacturing, processing and packing of drugs to assure their safety and identity. The EMA enforces its current GMP requirements through mandatory registration of facilities and inspections of those facilities. The EMA may have a coordinating role for these inspections while the responsibility for carrying them out rests with the member states competent authority under whose responsibility the manufacturer falls. Failure to comply with these requirements could interrupt supply and result in delays, unanticipated costs and lost revenues, and could subject the applicant to potential legal or regulatory action, including but not limited to warning letters, suspension of manufacturing, seizure of product, injunctive action or possible civil and criminal penalties.

Marketing and Promotion

The marketing and promotion of authorized drugs, including industry-sponsored continuing medical education and advertising directed toward the prescribers of drugs and/or the general public, are strictly regulated in the European Union under Directive 2001/83/EC. The applicable regulations aim to ensure that information provided by holders of marketing authorizations regarding their products is truthful, balanced and accurately reflects the safety and efficacy claims authorized by the EMA or by the competent authority of the authorizing member state. Failure to comply with these requirements can result in adverse publicity, warning letters, corrective advertising and potential civil and criminal penalties.

Patent Term Extension

In order to compensate the patentee for delays in obtaining a marketing authorization for a patented product, a supplementary certificate, or SPC, may be granted extending the exclusivity period for that specific product by up to five years. Applications for SPCs must be made to the relevant patent office in each E.U. member state and the granted certificates are valid only in the member state of

grant. An application has to be made by the patent owner within six months of the first marketing authorization being granted in the European Union (assuming the patent in question has not expired, lapsed or been revoked) or within six months of the grant of the patent (if the marketing authorization is granted first). In the context of SPCs, the term "product" means the active ingredient or combination of active ingredients for a medicinal product and the term "patent" means a patent protecting such a product or a new manufacturing process or application for it. The duration of an SPC is calculated as the difference between the patent's filing date and the date of the first marketing authorization, minus five years, subject to a maximum term of five years.

A six month pediatric extension of an SPC may be obtained where the patentee has carried out an agreed pediatric investigation plan, the authorized product information includes information on the results of the studies and the product is authorized in all member states of the European Union.

Pharmaceutical Coverage, Pricing and Reimbursement

Significant uncertainty exists as to the coverage and reimbursement status of products approved by the FDA and other government authorities. Sales of products will depend, in part, on the extent to which the costs of the products will be covered by third-party payors, including government health programs in the United States such as Medicare and Medicaid, commercial health insurers and managed care organizations. The process for determining whether a payor will provide coverage for a product may be separate from the process for setting the price or reimbursement rate that the payor will pay for the product once coverage is approved. Third-party payors may limit coverage to specific products on an approved list, or formulary, which might not include all of the approved products for a particular indication.

In order to secure coverage and reimbursement for any product that might be approved for sale, a company may need to conduct expensive pharmacoeconomic studies in order to demonstrate the medical necessity and cost-effectiveness of the product, in addition to the costs required to obtain FDA or other comparable regulatory approvals. A payor's decision to provide coverage for a drug product does not imply that an adequate reimbursement rate will be approved. Third-party reimbursement may not be sufficient to maintain price levels high enough to realize an appropriate return on investment in product development.

In the European Union, pricing and reimbursement schemes vary widely from country to country. Some countries provide that drug products may be marketed only after a reimbursement price has been agreed. Some countries may require the completion of additional studies that compare the cost-effectiveness of our drug candidate to currently available therapies (so called health technology assessment, or HTA) in order to obtain reimbursement or pricing approval. For example, the European Union provides options for its member states to restrict the range of drug products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. E.U. member states may approve a specific price for a drug product or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the drug product on the market. Other member states allow companies to fix their own prices for drug products, but monitor and control prescription volumes and issue guidance to physicians to limit prescriptions. The downward pressure on health care costs in general, particularly prescription drugs, has become intense. As a result, increasingly high barriers are being erected to the entry of new products. In addition, there can be considerably pressure by governments and other stakeholders on prices and reimbursement levels, including as part of cost containment measures. Political, economic and regulatory developments may further complicate pricing negotiations, and pricing negotiations may continue after reimbursement has been obtained. Reference pricing used by various E.U. member states, and parallel distribution (arbitrage between low-priced and high-priced member states), can further reduce prices. Any country that has price controls or reimbursement limitations for drug products may not allow favorable reimbursement and pricing arrangements.

Healthcare Law and Regulation

Healthcare providers, physicians and third-party payors play a primary role in the recommendation and prescription of drug products that are granted marketing approval. Arrangements with third-party payors and customers are subject to broadly applicable fraud and abuse and other healthcare laws and regulations. Such restrictions under applicable federal and state healthcare laws and regulations, include the following:

- the federal Anti-Kickback Statute prohibits, among other things, persons from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made, in whole or in part, under a federal healthcare program such as Medicare and Medicaid;

- the federal False Claims Act imposes civil penalties, and provides for civil whistleblower or qui tam actions, against individuals or entities for knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government;

- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, imposes criminal and civil liability for executing a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters;

- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act and its implementing regulations, also imposes obligations, including mandatory contractual terms, with respect to safeguarding the privacy, security and transmission of individually identifiable health information;

- the federal false statements statute prohibits knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement in connection with the delivery of or payment for healthcare benefits, items or services;

- the federal transparency requirements under the Health Care Reform Law requires manufacturers of drugs, devices, biologics and medical supplies to report to the Department of Health and Human Services information related to payments and other transfers of value to physicians and teaching hospitals and physician ownership and investment interests; and

- analogous state and foreign laws and regulations, such as state anti-kickback and false claims laws, may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers.

Some state laws require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government in addition to requiring drug manufacturers to report information related to payments to physicians and other health care providers or marketing expenditures. State and foreign laws also govern the privacy and security of health information in some circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

Environmental, Health and Safety Matters

The manufacturing facilities of the third-parties that develop our product candidates are subject to extensive environmental, health and safety laws and regulations in a number of jurisdictions, governing, among other things: the use, storage, registration, handling, emission and disposal of chemicals, waste materials and sewage; chemicals, air, water and ground contamination; air emissions and the cleanup of

contaminated sites, including any contamination that results from spills due to our failure to properly dispose of chemicals, waste materials and sewage.

These laws, regulations and permits could potentially require the expenditure by us of significant amounts for compliance or remediation. If the third-party manufacturers fail to comply with such laws, regulations or permits, we may be subject to fines and other civil, administrative or criminal sanctions, including the revocation of permits and licenses necessary to continue our business activities. In addition, we may be required to pay damages or civil judgments in respect of third-party claims, including those relating to personal injury (including exposure to hazardous substances we use, store, handle, transport, manufacture or dispose of), property damage or contribution claims. Some environmental, health and safety laws allow for strict, joint and several liability for remediation costs, regardless of comparative fault. We may be identified as a responsible party under such laws. Such developments could have a material adverse effect on our business, financial condition and results of operations.

In addition, laws and regulations relating to environmental, health and safety matters are often subject to change. In the event of any changes or new laws or regulations, we could be subject to new compliance measures or to penalties for activities that were previously permitted.

Employees

As of December 31, 2014, we had 20 employees, all of which were full time. We had 12 employees in research and development. We had one employee located outside of the United States as of December 31, 2014. We also retain independent contractors to support our organization. None of our employees are represented by a labor union or covered by a collective bargaining agreement. We have not experienced any work stoppages and we consider our relations with our employees to be good.

Other Information

We are subject to the information requirements of the Exchange Act. Therefore, we file periodic reports, proxy statements and other information with the SEC. Such reports, proxy statements and other information may be obtained, free of charge, by visiting the Public Reference Room of the SEC at 100 F Street, NE, Washington, D.C. 20549 or by calling the SEC at 1-800-SEC-0330, by sending an electronic message to the SEC at publicinfo@sec.gov or by sending a fax to the SEC at 1-202-777-1027. In addition, the SEC maintains a website (www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically.

ITEM 1A. RISK FACTORS

Not applicable.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our principal executive office and laboratory is located at 1098 Hamilton Court, Menlo Park, California 94025, where the company occupies 10,800 sq. ft. of research and development and administration facilities that are nearby to external formulation, clinical and pre-clinical testing facilities. The lease expires in November 2016. We believe that our existing property is in good condition and suitable for our current needs.

ITEM 3. LEGAL PROCEEDINGS

We may become subject to legal proceedings, claims and litigation arising in the ordinary course of business. In addition, we may receive letters alleging infringement of patents or other intellectual property rights. We are not a party to any material legal proceedings, nor are we aware of any pending or threatened litigation that would have a material adverse effect on our business, operating results, cash flows or financial condition should such litigation be resolved unfavorably.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common shares currently trade on the OTCQB Marketplace under the symbol "BPMX." Except for one quotation dated February 14, 2013 of $0.15, there were no reported quotations for our common stock during 2013.

The following table sets forth, for each of the calendar periods indicated, the quarterly high and low bid prices for our common shares quoted on the OTCQB Marketplace. The prices in the table represent prices between dealers and do not include adjustments for retail mark-up, markdown or commission and may not represent actual transactions.

Period	High	Low
Fiscal Year Ended December 31, 2014:		
First Quarter (from March 3, 2014)	$ 0.15	$ 0.15
Second Quarter	$ 0.15	$ 0.15
Third Quarter	$ 3.00	$ 0.15
Fourth Quarter	$ 3.50	$ 2.01

As of March 24, 2015, there were approximately 47 registered holders of record of our common shares, based upon information received from our stock transfer agent. However, this number does not include beneficial owners whose shares were held of record by nominees, including broker dealers. We believe that there are a significantly larger number of beneficial owners of our common shares than the number of record holders.

Transfer Agent and Registrar

The Transfer Agent for our capital stock is Empire Stock Transfer, located at 1859 Whitney Mesa Dr., Henderson, Nevada 89014.

Penny Stock Regulations

The SEC has adopted regulations which generally define "penny stock" to be an equity security that has a market price of less than $5.00 per share. Our common stock falls within the definition of penny stock and is subject to rules that impose additional sales practice requirements on broker-dealers who sell such securities to persons other than established customers and accredited investors (generally those with assets in excess of $1 million, or annual incomes exceeding $200,000 individually, or $300,000, together with their spouse).

For transactions covered by these rules, the broker-dealer must make a special suitability determination for the purchase of such securities and have received the purchaser's prior written consent to the transaction. Additionally, for any transaction, other than exempt transactions, involving a penny stock, the rules require the delivery, prior to the transaction, of a risk disclosure document mandated by the SEC relating to the penny stock market. The broker-dealer also must disclose the commissions payable to both the broker-dealer and the registered representative, current quotations for the securities and, if the broker-dealer is the sole market-maker, the broker-dealer must disclose this fact and the broker-dealer's presumed control over the market. Finally, monthly statements must be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks. Consequently, the "penny stock" rules may restrict the ability of broker-dealers to sell our common stock and may affect the ability of investors to sell their common stock in the secondary market.

Dividend Policy

We have not paid any cash dividends to our shareholders. Any future determination as to the declaration and payment of dividends on shares of our common stock will be made at the discretion of our board of directors out of funds legally available for such purpose. We are under no contractual obligations or restrictions to declare or pay dividends on our shares of common stock. In addition, we currently have no plans to pay such dividends.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table gives information about our common stock that may be issued upon the exercise or settlement of stock options and rights under all of our existing equity compensation plans as of December 31, 2014:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options and Rights (Column a)	Weighted-Average Exercise Price of Outstanding Options and Rights (Column b) ($)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column a) (Column c) (3)
Equity compensation plans approved by security holders	2,609,357	$ 0.82	1,163,000
Equity compensation plans not approved by security holders	193,333(1)	—	—
Total	2,802,690	$ 0.82	1,163,000

(1) Shares to be issued for director services rendered by Ping Wang.

Unregistered Sales of Equity Securities

From September 3, 2014 to January 26, 2015, 15 individuals exercised stock options granted under the 2014 Equity Incentive Plan to purchase 767,748 shares of our common stock. These stock options were issued in exchange for services rendered to us in accordance with the terms of the 2014 Equity Incentive Plan. The weighted-average exercise price of the stock options exercised during this period was $0.29.

On November 10, 2014 we issued to Korea Investment Partners Company, Ltd., or KIP, 290,000 shares of our common stock, of which 96,667 shares vested immediately on issuance and 193,333 vest upon completion of a milestone, for director services rendered by Ping Wang. The shares have a fair value of $481,400 based on stock valuation at the date of issuance.

The foregoing issuances of the equity securities were effectuated pursuant to the exemption from the registration requirements of the Securities Act of 1933, as amended, or Securities Act, provided by Section 4(a)(2) of the Securities Act and/or Regulation D promulgated thereunder as a transaction not involving a public offering and are restricted shares as defined in the Securities Act. The Company did not engage in any general solicitation or advertising in connection with the foregoing issuances.

ITEM 6. SELECTED FINANCIAL DATA

Not applicable.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis of Financial Condition and Results of Operations, or MD&A, is intended to help the reader understand our results of operations and financial condition. MD&A is provided as a supplement to, and should be read in conjunction with, our audited financial statements and the accompanying notes to the financial statements and other disclosures included in this Annual Report on Form 10-K. Our financial statements have been prepared in accordance with U.S. generally accepted accounting principles and are presented in U.S. dollars.

Overview

We are a specialty pharmaceutical company focused on utilizing our proprietary drug delivery technologies to develop and commercialize novel prescription and over-the-counter, or OTC, products that address large markets in women's health and dermatology. Our objective is to develop products that treat health or age-related conditions that: (1) are not presently being addressed or treated at all or (2) are currently treated with drug therapies or drug delivery approaches that are sub-optimal. Our strategy is to bring new products to market by identifying optimal delivery mechanisms and/or alternative applications for FDA-approved active pharmaceutical ingredients, or APIs, and biological materials, while, in appropriate circumstances, reducing the time, cost and risk typically associated with new product development by taking advantage of the abbreviated regulatory pathway available for reformulated drugs that are bioequivalent to FDA-approved products. Our current platform technologies include innovative delivery mechanisms for molecular iodine, or I_2, antibiotics and biologics.

Since our inception, we have devoted substantially all of our efforts to developing our product candidates including conducting preclinical and clinical trials and providing general and administrative support for these operations. We commercially launched our breast health supplement at the end of 2014, although to-date we have not generated any revenue from product sales and we are not dependent on sales to any one customer. We have financed our operations primarily through the sale of equity securities and convertible debt securities from which we raised $9.6 million of net cash from our inception through December 31, 2014.

Share Exchange

On January 23, 2014, we (then operating as Thompson Designs, Inc.), BioPharmX, Inc. and stockholders of BioPharmX, Inc., who collectively owned 100% of BioPharmX, Inc., entered into and consummated transactions pursuant to a share exchange agreement, such transaction referred to as the Share Exchange, whereby we issued to the stockholders of BioPharmX, Inc. an aggregate of 7,025,000 shares of our common stock, in exchange for 100% of the shares of BioPharmX, Inc. held by stockholders. The shares of our common stock received by the stockholders of BioPharmX, Inc. in the Share Exchange constituted approximately 77.8% of our then issued and outstanding common stock, after giving effect to the issuance of shares pursuant to the share exchange agreement. As a result of the Share Exchange, BioPharmX, Inc. became our wholly-owned subsdidiary. For accounting purposes, the Share Exchange was treated as a reverse acquisition with BioPharmX, Inc. as the acquirer and us as the acquired party, and as a result the historical financial statements prior to the Share Exchange included in this Annual Report on Form 10-K are the historical financial statements of BioPharmX, Inc. On March 3, 2014, we changed our name to BioPharmX Corporation. On April 25, 2014, we reincorporated from Nevada to Delaware.

Results of Operations

Fiscal Years Ended December 31, 2014 and 2013

Revenue

We did not recognize any revenue in the years ended December 31, 2014 and 2013. We shipped our first product to a retailer in December 2014. The product, the VI_2OLET breast health tablet, is a new product in the dietary supplement field.

Research and Development Expenses

We expense both internal and external research and development expenses to operations as they are incurred.

Year ended December 31,			
2014	2013	Change	%
($ in thousands)			
$2,519	$ 671	$ 1,848	275%

Research and development expenses for the years ended December 31, 2014 and 2013 were $2.5 million and $671,000, respectively. The increase from year-to-year of $1.8 million is primarily due to a $1.0 million increase in employees' salaries and $198,000 due to stock compensation expense during 2014. In 2013, we were using primarily consultants who were converted to employees in early 2014. Additionally, costs increased $260,000 due to quality testing and one-time production costs related to producing our VI_2OLET breast health tablet product. Laboratory expenses for on-going research and development on future products increased by $121,000. Overhead allocated to the research and development department increased by $170,000.

Research and development expenses for the year ended December 31, 2013 consisted primarily of employee and consultant compensation and non-employee stock compensation expense in the amount of $527,000 and laboratory supplies of $51,000.

As of December 31, 2014, we had 12 employees in research and development.

Sales and Marketing Expenses

We expense both sales and marketing expenses to operations as they are incurred. In the years shown, costs are related to establishing our corporate brand and efforts related to our VI_2OLET breast health tablet.

Year ended December 31,			
2014	2013	Change	%
($ in thousands)			
$2,299	$ 132	$ 2,167	1,642%

Sales and marketing expenses for the years ended December 31, 2014 and 2013 were $2.3 million and $132,000, respectively. The increase from year-to-year of $2.2 million is primarily due to the ramp up in marketing and sales to launch our VI_2OLET breast health tablet product. Sales and marketing compensation increased $392,000 and stock compensation increased $140,000 as a result of hiring people who had previously been consultants as employees in 2014. Outside agencies accounted for $769,000 of the increase from year-to-year to accomplish the marketing goals for our new product. Marketing costs to launch our new product increased by $496,000 and travel increased by $54,000 from 2014 to 2013. Allocated overhead, consisting of facilities, insurance and maintenance expenses, increased by $110,000.

Sales and marketing expenses for the year ended December 31, 2013 consisted primarily of consultant compensation and non-employee stock compensation expense in the amount of $93,000 and the cost of developing marketing strategy and material in the amount of $30,000.

As of December 31, 2014, we had 3 employees in sales and marketing.

General and Administrative Expenses

Our general and administrative expenses consist of the cost of our executive, finance, corporate development and other administrative functions.

Year ended December 31,			
2014	2013	Change	%
($ in thousands)			
$2,953	$ 711	$ 2,242	315%

General and administrative expenses for the years ended December 31, 2014 and 2013 were $3.0 million and $711,000, respectively. The increase from year-to-year of $2.2 million is primarily due to beginning in the year ended December 31, 2014 to pay our officers' salaries of $500,000, adding support staff, which resulted in $1.0 million in cash compensation, $160,000 in stock compensation to an investor for service as a director and other consulting services and $658,000 in stock compensation for employees and consultants. The cost of the reverse merger and overhead related to being a publicly-traded company increased costs by $318,000 including reporting, legal and audit expenses. Travel expense was up $63,000 from year to year. The remaining increase of $170,000 was due to allocated overhead and general office expenses.

General and administrative expenses for the year ended December 31, 2013 consisted primarily of compensation and benefits in the amount of $272,000, professional fees totaling $259,000 to our legal counsel and auditors, travel expense of $64,000, as well as other general and administrative expenses

As of December 31, 2014, we had 5 employees in general and administrative.

Loss from Operations

Loss from operations for the years ended December 31, 2014 and 2013 were $7.8 million and $1.5 million, respectively. The increase in the loss from year-to-year is due to ramping up research and development, production and launch of our first product and the costs related to our reverse merger and going public.

Net Loss

Net loss for the years ended December 31, 2014 and 2013 was $7.8 million and $1.6 million, respectively.

Inflation did not have a material impact on our operations for either of the periods. Other than the foregoing, management knows of no trends, demands, or uncertainties that are reasonably likely to have a material impact on our results of operations.

Capital Resources and Liquidity

A summary of the sources and uses of cash is as follows (in thousands):

	December 31	
	2014	2013
Net cash used in operating activities	$ (6,001)	$ (1,080)
Net cash used in investing activities	(263)	(85)
Net cash provided by financing activities	8,372	1,030
Net increase (decrease) in cash	$ 2,108	$ (135)

Between September 2012 and March 2014, we issued 6% unsecured convertible notes to investors in the aggregate principal amount of $2.25 million. These notes had maturity dates from one to three years from the date of issuance, with principal and interest payable at maturity. The notes automatically converted in 2014 into shares of our common stock on the completion of our reverse acquisition by BioPharmX, Inc. in January 2014 and closing of a financing in the amount of at least $2 million at a conversion price per share equal to 80% of the per share offering price of such financing.

During the year ended December 31, 2014, we completed the private placement of shares of Series A preferred stock and warrants to purchase common stock. The private placement was consummated in a series of closings that occurred between April 2014 and November 2014. We sold to accredited investors and non-U.S. persons 4.2 million shares of Series A preferred stock at a per share price of $1.85 for net proceeds of approximately $7.3 million and issued to the investors, for no additional consideration, warrants to purchase in the aggregate 2.0 million shares of our common stock, at an exercise price of $3.70 per share pursuant to a series of subscription agreements.

Additionally, under the subscription agreement with one of the investors, that investor is committed to purchase an additional 1,081,081 shares of Series A preferred stock at a per share price of $1.85 upon the achievement of certain milestones which would raise another $2.0 million in gross proceeds. The milestones include our receiving revenues of $2.0 million for our VI_2OLET product or uplisting our stock to NYSE or NASDAQ. Two of our majority common stockholders and this investor also entered into a voting agreement whereby these stockholders agreed to (i) vote in favor of any merger or sale of us which has been approved by the board of directors and holders of at least 50% of the then outstanding shares of Series A preferred stock, and (ii) irrevocably grant to such investor a proxy to vote in favor of such business combination transaction. These stockholders also agreed to sell their shares to a purchaser in a transaction approved by holders of at least 67% of shares of Series A preferred stock or 67% of shares of common stock and Series A preferred stock in the aggregate.

The following table summarizes total current assets, liabilities and working capital (in thousands).

	December 31, 2014
Current assets	$ 2,520
Current liabilities	1,367
Working capital	$ 1,153

Net cash used for operating activities for the year ended December 31, 2014 was $6.0 million. Cash used in operating activities was primarily due to a net loss for the year ended December 31, 2013 of $7.8 million which was partially offset by changes in operating assets and liabilities of $413,000, non-cash interest expense of $76,000, warrants issued for $99,000 and stock-based compensation of $1.2 million. Cash used in investing activities was primarily for acquisition of intellectual property and acquisition of fixed assets.

Net cash used for operating activities for the year ended December 31, 2013 was $1.1 million. Cash used in operating activities was primarily due to a net loss for the year ended December 31, 2013 of $1.6 million which was partially offset by changes in operating assets and liabilities of $371,000, non-cash interest expense of $74,000 and stock-based compensation of $58,000. Cash used in investing activities was primarily for the acquisition of intellectual property and the acquisition of fixed assets.

Net cash provided by financing activities for the years ended December 31, 2014 and 2013 was $8.4 million and $1.0 million, respectively. This consisted of $7.3 million from issuing Series A preferred stock in the year ended December 31, 2014 and $1.0 million in proceeds from issuing convertible notes for each of the years ended December 31, 2014 and 2013.

Subsequent Events

In March 2015, we amended certain warrants to reduce the exercise price of such warrants from $3.70 to $2.50 per share with a corresponding increase in the number of shares of common stock exercisable under the warrants so that the aggregate exercise value of such warrants remained the same. As of March 27, 2015, the holders had exercised such warrants for an aggregate of 397,996 shares of common stock for an aggregate cash exercise price of $994,990.

Going Concern

As reflected in the accompanying financial statements, those financial statements have been prepared assuming we will continue as a going concern. We have incurred recurring losses and negative cash flows from operations since inception. We have not generated revenues and have funded our operating losses through the issuance of convertible notes payable and Series A preferred stock. We have a limited operating history and our prospects are subject to risks, expenses and uncertainties frequently encountered by companies in the industry.

The significant risks described herein could have a significant negative impact on our financial viability and raise substantial doubt about our ability to continue as a going concern. We are working on our business model to increase working capital by managing our cash flow, securing financing and introducing our first product to market.

Risks include, but are not limited to, the uncertainty of availability of additional financing and the uncertainty of achieving future profitability. We intend to raise additional funds through the issuance of equity securities. There can be no assurance that such financing will be available or on terms which are favorable to us. Failure to generate sufficient cash flows from operations, raise additional capital or reduce certain discretionary spending could have a material adverse effect on our ability to achieve our intended business objectives. These factors raise substantial doubt about our ability to continue as a going concern. The financial statements do not contain any adjustments that might result from the outcome of this uncertainty.

As shown in the accompanying financial statements, we incurred a net loss of $7.8 million and $1.6 million during the years ended December 31, 2014 and 2013, respectively, and have an accumulated deficit of $9.5 million as of December 31, 2014. As of December 31, 2014, we had working capital of $1.2 million. While we believe that we have a plan to fund on-going operations, there is no assurance that our plan will be successfully implemented. We are experiencing the following risks and uncertainties in the business:

- The discovery of key raw materials to formulate novel products depends on our ability to identify, negotiate and secure procurement of such materials. This also depends on our ability to establish comprehensive and long term vendor contracts and relationships.

- Our ability to compete and to achieve our product platform strategy depends on our ability to protect our proprietary discoveries and technologies. We currently rely on a combination of

copyrights, trademarks, trade secret laws and confidentiality agreements to protect our intellectual property rights. We also rely upon unpatented know-how and continuing technological innovation.

- Our continued operations are dependent upon our ability to identify, recruit and retain adequate management personnel and contractors to perform certain jobs such as research and development, patent generation, regulatory affairs and general administrative functions. We require highly trained professionals of varying levels and experience along with a flexible work force.

- Our ability to generate income in the short-run will depend greatly on the rate of adoption and ability to establish a market for our VI_2OLET breast health tablet.

- Research and development for novel prescription or OTC based products can be very extensive and lengthy in nature; and the clinical trial process with the Food and Drug Administration can require significant funding and time consuming patient studies. The competitive landscape could change significantly over the time period to complete targeted product development milestones. The current competition for our products could also turn into strategic partners or potential acquirers in the future.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, (ASU 2014-09), which converges the FASB and the International Accounting Standards Board standards on revenue recognition. Areas of revenue recognition that will be affected include, but are not limited to, transfer of control, variable consideration, allocation of transfer pricing, licenses, time value of money, contract costs and disclosures. This guidance is effective for the fiscal years and interim reporting periods beginning after December 15, 2016. The Company is currently evaluating the impact that the adoption of ASU 2014-09 will have on its consolidated financial statements and related disclosures.

On June 10, 2014, the FASB issued ASU 2014-10, *Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation* (ASU 2014-10), which eliminates the definition of a development stage entity, eliminates the development stage presentation and disclosure requirements under Accounting Standards Codification, or ASC, 915 *Development Stage Entities*, or ASC 915, and amends provisions of existing variable interest entity guidance under ASC 810 *Consolidation*. As a result of the changes, entities which meet the former definition of a development stage entity will no longer be required to: (1) present inception-to-date information in the statements of income, cash flows, and stockholder equity; (2) label the financial statements as those of a development stage entity; (3) disclose a description of the development stage activities in which the entity is engaged; and (4) disclose in the first year in which the entity is no longer a development stage entity that in prior years it had been in the development stage. Furthermore, ASU 2014-10 clarifies disclosures about risks and uncertainties under ASC Topic 275, *Risks and Uncertainties*, that apply to companies that have not commenced planned principal operations. Finally, variable interest entity rules no longer contain an exception for development stage entities and, as a result, development stage entities will have to be evaluated for consolidation in the same manner as non-development stage entities.

Under ASU 2014-10, entities are no longer required to apply the presentation and disclosure provisions of ASC 915 during annual periods beginning after December 15, 2014. In addition, the revisions to the consolidation standards are effective for annual periods beginning after December 15, 2015 for public entities and are effective for annual periods beginning after December 15, 2016 for nonpublic entities. Early adoption is permitted for any annual reporting period or interim period for

which the entity's financial statements have not yet been issued (public business entities) or made available for issuance (other entities).

The Company has adopted ASU 2014-10 effective as of its issuance date. Adoption of this standard had no impact on its financial position, results of operations, or cash flows; however, the presentation of the consolidated financial statements and related disclosures in the notes to the consolidated financial statements has been changed to eliminate the disclosures that are no longer required.

In August 2014, the FASB issued ASU 2014-15, *Presentation of Financial Statements—Going Concern* (ASU 2014-15). This standard includes guidance about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern within one year after the financial statements are issued. If conditions or events raise substantial doubt, the entity must disclose the conditions or events that raise substantial doubt about the entity's ability to continue as a going concern, management's evaluation of those conditions or events, and management's plans to mitigate the conditions or events. This update is effective for interim and annual reporting periods beginning after December 15, 2016. Early adoption is permitted. The Company is currently evaluating the impact that the adoption of ASU 2014-15 will have on its consolidated financial statements and related disclosures.

We have reviewed other recent accounting pronouncements and concluded they are either not applicable to the business, or no material effect is expected on the consolidated financial statements as a result of future adoption.

Critical Accounting Policies

Our consolidated financial statements and related financial information are based on the application of accounting principles generally accepted in the United States, or GAAP. GAAP requires the use of estimates, assumptions, judgments and subjective interpretations of accounting principles that have an impact on the assets, liabilities, revenues and expense amounts reported. These estimates can also affect supplemental information contained in our external disclosures including information regarding contingencies, risk and financial condition. We believe our use of estimates and underlying accounting assumptions adhere to GAAP and are consistently applied. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ materially from these estimates under different assumptions or conditions. We continue to monitor significant estimates made during the preparation of our financial statements.

Our significant accounting policies are summarized in Note 1 of our audited consolidated financial statements. While all these significant accounting policies impact our financial condition and results of operations, we view certain of these policies as critical. Policies determined to be critical are those policies that have the most significant impact on our financial statements and require management to use a greater degree of judgment and estimates. Actual results may differ from those estimates and such differences may be material to the financial statements. Our management believes that given current facts and circumstances, it is unlikely that applying any other reasonable judgments or estimate methodologies would have an effect on our results of operations, financial position or liquidity for the periods presented in this report.

We believe the following critical accounting policies and procedures, among others, affect our more significant judgments and estimates used in the preparation of our consolidated financial statements:

Revenue Recognition

We shipped our first product to a retailer in December 2014. The product, the VI_2OLET breast health tablet, is a new product in the dietary supplement field. Revenue is recognized provided that persuasive evidence of a sales arrangement exists, the price is fixed or determinable, title and risk of loss has transferred, calculability of the resulting receivable is reasonably assured, there are no customer acceptance requirements and we do not have any significant post-shipment obligations. We recognize revenue on a sell through basis since we do not have the historical information to estimate product returns. As a result, we account for these product shipments using a deferred revenue recognition model. Under the deferred revenue recognition model, we do not recognize revenue upon product shipment. For these product shipments, we invoice the reseller, record deferred revenue at gross invoice sales price, and classify the cost basis of the product held by the wholesaler as a component of inventory. We recognize revenue when product is sold by the reseller to the end-user, on a first-in first-out (FIFO) basis.

Stock-based Compensation

We account for stock-based employee compensation arrangements which requires the recognition of compensation expense, using a fair-value based method for costs related to all employee share-based payments, including stock options. We estimate the fair value of share-based payment awards on the date of grant using an option pricing model. All option grants have been expensed on a straight-line basis over their vesting period. Equity instruments issued to nonemployees are recorded at their fair value on the measurement date and are subject to periodic adjustment as the underlying equity instruments vest.

For the years ended December 31, 2014 and 2013, stock-based compensation was $1.2 million and $58,000.

Off Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, financings, or other relationships with unconsolidated entities or other persons, also known as "special purpose entities," or SPEs.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our consolidated audited financial statements as of and for the fiscal years ended December 31, 2014 and 2013, together with the report of the independent registered public accounting firm thereon and the notes thereto, are presented beginning at page F-1.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

We changed our independent registered public accounting firm effective January 23, 2014 from Silberstein Ungar, PLLC ("SUPLLC") to Burr Pilger Mayer, Inc. Information regarding the change in the independent registered public accounting firm was disclosed in our Current Report on Form 8-K

filed with the SEC on January 27, 2014. There were no disagreements with SUPLLC or any reportable events requiring disclosure under Item 304(b) of Regulation S-K.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As required by Rule 13a-15 under the Securities Exchange Act of 1934, we have carried out an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this annual report, December 31, 2014. This evaluation was carried out under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed in our company's reports filed under the Securities Exchange Act of 1934 is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer has concluded that our disclosure controls and procedures were ineffective as of the end of the period covered by this annual report. This conclusion was based on the material weaknesses in our internal control over financial reporting further described below.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934). Management has assessed the effectiveness of our internal control over financial reporting as of December 31, 2014 based on criteria established in Internal Control-Integrated Framework 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission. As a result of this assessment, management concluded that, as of December 31, 2014, our internal control over financial reporting was not effective. Our management identified the following material weaknesses in our internal control over financial reporting, which are indicative of many small companies with small staff: (i) inadequate segregation of duties and ineffective risk assessment; and (ii) insufficient written policies and procedures for accounting and financial reporting with respect to the requirements and application of both US GAAP and Securities and Exchange Commission guidelines.

We plan to take steps to enhance and improve the design of our internal control over financial reporting. During the period covered by this annual report on Form 10-K, we have not remediated the material weaknesses identified above. To remediate such weaknesses, we plan to implement the following changes during our current fiscal year: (i) appoint additional qualified personnel to address inadequate segregation of duties and ineffective risk management; and (ii) adopt sufficient written policies and procedures for accounting and financial reporting. The remediation efforts set out in (i) and (ii) are largely dependent upon our securing additional financing to cover the costs of implementing the changes required. If we are unsuccessful in securing such funds, remediation efforts may be adversely affected in a material manner.

This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm because as a smaller reporting company we are not subject to Section 404(b) of the Sarbanes-Oxley Act of 2002.

Changes in Internal Control over Financial Reporting

No change in our system of internal control over financial reporting occurred during the fourth quarter of the year ended December 31, 2014 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

In connection with the Share Exchange, effective on January 21, 2014, James Pekarsky was appointed as Chairman of the board of directors, Chief Executive Officer and Chief Financial Officer, and Anja Krammer was appointed as a director and as President. Kade Thompson resigned as our sole director and officer at the same time. Kin F. Chan, Ph.D was appointed as our Executive Vice President of Research and Development effective February 17, 2014. Ping Wang was appointed as a director effective November 10, 2014. Michael Hubbard was appointed as a director effective January 22, 2015. Stephen Morlock was appointed as a director effective March 26, 2015.

The following table sets forth certain information as of March 27, 2015, concerning our directors and executive officers. All directors hold office until the next annual meeting of stockholders or until their respective successors are elected, except in the case of death, resignation or removal:

Name	Age	Position
James R. Pekarsky	55	Chief Executive Officer, Chief Financial Officer, and Chairman of the Board of Directors
Anja Krammer	47	President and Director
Kin F. Chan, Ph.D.	41	Executive Vice President of Research & Development
Ping Wang	38	Director
Michael Hubbard	63	Director
Stephen Morlock	61	Director

Exeutive Officers

James R. Pekarsky, has been our Chief Executive Officer, Chief Financial Officer and Chairman of the Board since January 2014. Since September 2011, Mr. Pekarsky has served as Chief Executive Officer and Treasurer of BioPharmX, Inc. From November 2011 to August 2013, he served as Chief Financial Officer of Solar Power, Inc. From November 2007 to November 2011, Mr. Pekarsky was a consulting CFO to a variety of early-stage, start-up companies. Additionally, Mr. Pekarsky served as Chief Financial Officer of MoSys, Inc., from January 2006 to November 2007, AccelChip from December 2004 to December 2006 and Virage Logic from May 1999 to November 2003, where he helped lead the company's IPO in August 2000. Mr. Pekarsky also held general manager and senior operations positions at Mentor Graphics from January 1997 to May 1999, Advanced Molecular Systems from June 1995 to December 1996, Sclavo Diagnostics from November 1993 to May 1995 and Bio-Rad Laboratories from June 1989 to October 1993 where he resided abroad in Paris, Milan and London. Mr. Pekarsky holds a B.S. in accounting from Indiana University of Pennsylvania and an M.B.A. in finance from Golden Gate University. We believe that Mr. Pekarsky should serve on our board of directors due to his substantial leadership experience in senior finance, operations and general management roles in high tech and medical research companies, along with international business, strategic planning and thorough knowledge of public company requirements.

Anja Krammer has served as our President and a director since January 2014. Since September 2011 she has served as the President and Secretary of BioPharmX, Inc. Ms. Krammer previously served as Chief Marketing Officer/Founder of MBI, Inc., a management consulting firm from January 1998 to December 2013. While at MBI, Inc., Ms. Krammer also served as Vice President Global Marketing from April 2006 to August 2008 for Reliant Technologies, a venture backed startup in aesthetic medicine. From April 2004 to April 2006, Ms. Krammer served as Sr. Director of Strategic Marketing for Medtronic Corporation. From December 2000 to September 2001, Ms. Krammer was Vice

President, Solutions Marketing for Getronics Corporation, a global IT services company. From April 1999 to December 2000, Ms. Krammer served as Vice President, Indirect Channel Sales and Worldwide Industry Partnership Marketing, Itronix Division, Acterna Corporation, an optical communications company. Prior roles included, serving as Director of Worldwide Marketing and Communications for Tektronix Corporation in its Color Printing and Imaging Division from October 1997 to April 1999. From October 1995 to October 1997, Ms. Krammer was Director of Worldwide Sales and Marketing with KeyTronic Corporation, a computer equipment manufacturer. Ms. Krammer holds a BAIS degree with a focus on Marketing/Management from the University of South Carolina and an International Trade Certificate from the Sorbonne, University of Paris. We believe that Ms. Krammer should serve on our board of directors due to her experience in guiding healthcare and consumer enterprises in product development, sales and marketing management and commercialization strategies and her industry background in pharmaceuticals, medical devices, technology and consumer products.

Kin F. Chan, Ph.D. has served as Executive Vice President of Research & Development since February 2014. Prior to joining us, from April 2012 to January 2014, he was Vice President of Engineering at Demira, Inc., a biopharmaceutical company focusing on dermatology products. Prior to that he was the Managing Director of Advanced Research at Solta Medical, Inc. from 2003 to 2009, and was an optical R&D engineer at Ball Semiconductor, Inc. from 2000 to 2003. He was also the founder and President of Fourier Biotechnologies, LLC, which provides services in optical engineering and preclinical research, from 2009 to January 2014. Dr. Chan received his B.S., M.S., and Ph.D. in Electrical & Computer Engineering from the University of Texas at Austin.

Non-Employee Directors

Ping Wang has been a Principal of Korea Investment Partners, a venture capital investment firm, since May 2010. Prior to joining Korea Investment Partners in 2010, he worked at Great Pacific Financial Group from October 2007 to March 2010. Previously, Mr. Wang was an investment officer at Beijing Ancai Technology Venture Capital from May 2006 to October 2007, and earlier, worked at Matsuoka Industry Group as IT Manager from January 2000 to December 2002. He began his professional career as a software engineer at IBM from December 1998 to November 1999. Mr. Wang earned a B.S. degree in Computer Science at the University of Texas, Austin, and graduated from the MIT Sloan-Tsinghua joint program with an International MBA degree. We believe that Mr. Wang should serve on our board of directors due to his experience analyzing corporate performance as a venture capitalist and managing his firm's investments in private companies and knowledge of health care and pharmaceutical industries, important skills related to corporate finance, oversight of management and strategic positioning.

Michael Hubbard served as a senior audit partner at Deloitte & Touche LLP from August 2007 until retiring in June 2014 and also at PricewaterhouseCoopers LLP from September 1986 to July 2007. In these roles, he served private and publicly held clients across the life sciences, waste management, construction, and technology sectors, advising domestic and international issuer companies on complex transactions, including 19 IPOs and numerous follow-on equity and debt offerings. Mr. Hubbard holds a B.A. degree in Business Administration with a concentration in Accounting and an MBA degree from Washington State University. He is a licensed CPA in the states of Washington and California and is a certified practitioner of international financial reporting standards. We believe that Mr. Hubbard should serve on our board of directors due to his broad range of experience serving large public and private companies in the United States and internationally, including experience with the reporting requirements for complex transactions, including carve-outs and spin-offs; direct involvement with numerous SEC filings; and significant experience working with SEC staff, including the pre-clearance of accounting issues, responses to comments letters on periodic filings, and offering documents.

Stephen Morlock served as Executive Vice President and Chief Financial Officer at Otis Spunkmeyer, Inc. from May 1994 until his retirement in June 2004. He also served as Controller from

August 1992 to April 1994. Prior to that, he held various management positions in accounting, financial planning, and internal audit at Westinghouse Electric Supply Company from November 1977 to July 1992. Since his retirement in June 2004, Mr. Morlock has not been active in any business activities. Mr. Morlock holds a B.S. degree in Accounting from San Diego State University. We believe that Mr. Morlock should serve on our board of directors due to his extensive experience in the retail industry, including a variety of distribution channels, product merchandising, customer relationship management and brand name development, as well as his background in manufacturing capacity utilization and expansion, procurement and inventory management, compensation plan design and financial reporting.

All of our directors hold their positions on the board until our next annual meeting of the shareholders, and until their successors have been qualified after being elected or appointed. Officers serve at the discretion of the board of directors.

There are no family relationships among our directors and executive officers. There is no arrangement or understanding between or among our executive officers and directors pursuant to which any director or officer was or is to be selected as a director or officer, and there is no arrangement, plan or understanding as to whether non-management shareholders will exercise their voting rights to continue to elect the current board of directors.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors, executive officers and holders of more than 10% of our shares of common stock to file with the SEC initial reports of ownership and reports of changes in such ownership. SEC rules require such persons to furnish us with copies of all Section 16(a) reports that they file. Based on a review of these reports and on written representations from the reporting persons that no other reports were required, we believe that the applicable Section 16(a) reporting requirements were complied with for all of the transactions which occurred in the fiscal year ended December 31, 2014 with the following exceptions. In February 2014, a Form 3 for Ms. Krammer was not filed on a timely basis. In February 2014, a Form 3 for Dr. Chan was not filed on a timely basis. In February 2015, a Form 4 for Mr. Wang was not filed on a timely basis. In February 2015, a Form 4 for Mr. Hubbard was not filed on a timely basis.

Committees of the Board of Directors

We have standing nominating, compensation and audit committees. During 2014, our full board of directors performed the functions of these committees. We did not believe it was necessary for our board of directors to appoint such committees until recently because the volume of matters that came before our board of directors for consideration permitted the directors to give sufficient time and attention to such matters to be involved in all decision making. Additionally, because our common stock is not listed for trading on a national securities exchange, we were not required to have such committees.

Audit Committee Financial Expert

The board of directors has determined that Mr. Hubbard qualifies as an audit committee financial expert, as defined under Item 407(d)(5)(ii) of Regulation S-K.

Code of Ethics

In March 2015, we adopted a code of ethics that applies to all of our directors, officers and employees, including our principal executive officer, principal financial officer and principal accounting officer. The new code addresses, among other things, honesty and ethical conduct, conflicts of interest,

compliance with laws, regulations and policies, including disclosure requirements under the federal securities laws, confidentiality, trading on inside information and reporting of violations of the code.

Board Leadership Structure

Our Board recognizes that the leadership structure and combination or separation of the Chief Executive Officer and chairman roles is driven by our needs at any point in time. Currently, Mr. Pekarsky serves as our Chief Executive Officer and the Chairman of our Board, and Ms. Krammer serves as our President. We have no policy requiring the combination or separation of leadership roles and our governing documents do not mandate a particular structure. This has allowed, and will continue to allow, our Board the flexibility to establish the most appropriate structure for our company at any given time.

Non-Employee Director Compensation

In 2014, we did not pay any fees to, reimburse any expense of, make any equity awards or non-equity awards to, or pay any other compensation to any of our non-employee directors other than to KIP in connection with Ping Wang's services as a director. On November 10, 2014, in connection with Ping Wang's appointment to our board of directors, we issued to KIP 290,000 shares of our common stock, of which 96,667 shares vested immediately on issuance and 193,333 shares vest upon completion of a milestone in accordance with the terms of a subscription agreement entered into between us and KIP.

The compensation received by each of Mr. Pekarsky and Ms. Krammer as our employees is shown below in "Executive Compensation—Summary Compensation."

We do not have any standard policies, plans, or arrangements in place with respect to director compensation.

ITEM 11. EXECUTIVE COMPENSATION

Summary Compensation

The following is a summary of the compensation we paid to each of James Pekarsky, Anja Krammer, and Kin F. Chan, Ph.D. (our "Named Executive Officers"), for the two fiscal years ended December 31, 2014 and 2013 (in thousands).

Name and Principal Position	Year	Salary ($)(1)	Totals ($)
James R. Pekarsky(2)	2014	250	250
CEO, CFO, Chairman of the Company; CEO and Director of BioPharmX, Inc.	2013	—	—
Anja Krammer(3)	2014	250	250
President and Director of the Company; President and Director of BioPharmX, Inc.	2013	—	—
Kin F. Chan, Ph.D.(4)	2014	197	197
Executive Vice President of Research & Development	2013	—	—
Kade Thompson(5)	2014	—	—
CEO, CFO, Director of Thompson Design	2013	—	—

(1) Amounts set forth in this column represent salary earned during fiscal 2014.

(2) Mr. Pekarsky was appointed as our Chief Executive Officer, Chief Financial Officer and Chairman on January 21, 2014. Mr. Pekarsky has been the Chief Executive Officer and

Director of BioPharmX, Inc. since its inception. Mr. Pekarsky deferred a portion of his salary.

(3) Ms. Krammer was appointed as our Director and President on January 21, 2014. Ms. Krammer has been the President and Director of BioPharmX, Inc. since its inception. Ms. Krammer deferred a portion of her salary.

(4) Dr. Chan was hired on February 17, 2014 as our Executive Vice President of Research & Development. Dr. Chan deferred a portion of his salary.

(5) Mr. Thompson resigned as Thompson Design Inc.'s sole director, Chief Executive Officer, President, Treasurer and Secretary on January 21, 2014, and received no compensation during the years ended December 31, 2013 and 2014.

Mr. Pekarsky's Employment Agreement

On January 21, 2014, we entered into an employment agreement with Mr. Pekarsky, pursuant to which Mr. Pekarsky was employed as our Chief Executive Officer and Chief Financial Officer for a term of four years with a one-year automatic renewal term. Mr. Pekarsky's employment agreement terminates immediately in the event of his death or disability or, in the event either we or Mr. Pekarsky delivers written notice of termination to the other party, on the fifteenth day following delivery of such notice of termination. In addition, we may immediately terminate Mr. Pekarsky's employment agreement in the event Mr. Pekarsky breaches such agreement or upon the occurrence of an event that would constitute cause (as defined in his employment agreement). Mr. Pekarsky's employment agreement provides for a base salary of $250,000 per year and an annual bonus if performance targets are met, which determination shall be made at the discretion of the board of directors. Mr. Pekarsky's employment agreement also provides that Mr. Pekarsky shall be subject to nondisclosure, noncompetition, and nonsolicitation covenants for specified periods following the termination of his employment with us.

If we terminate Mr. Pekarsky's employment without cause (as defined in his employment agreement) or if Mr. Pekarsky resigns for good reason (as defined in his employment agreement) within 12 months of a change in control (as defined in his employment agreement) and he delivers a customary release of claims, he would be entitled to: (i) an amount equal to four times his annual compensation; (ii) a continuation of company-paid health and group-term life insurance benefits applicable to him as of the change of control (or provision of benefits equivalent thereto) for 24 months; and (iii) 100% acceleration of his then unvested options, restricted stock awards, performance shares, stock appreciation rights, and, subject to limitations imposed by the applicable award agreement and Section 409A of the Code, restricted stock units, performance-based restricted stock units, and long-term cash incentives.

Ms. Krammer's Employment Agreement

On January 21, 2014, we entered into an employment agreement with Ms. Krammer, pursuant to which Ms. Krammer was employed as our President for a term of four years with a one-year automatic renewal term. Ms. Krammer's employment agreement terminates immediately in the event of her death or disability or, in the event either we or Ms. Krammer delivers written notice of termination to the other party, on the fifteenth day following delivery of such notice of termination. In addition, we may immediately terminate Ms. Krammer's employment agreement in the event Ms. Krammer breaches such agreement or upon the occurrence of an event that would constitute cause (as defined in her employment agreement). Ms. Krammer's employment agreement provides for a base salary of $250,000 per year and an annual bonus if performance targets are met, which determination shall be made at the discretion of the board of directors. Ms. Krammer's employment agreement also provides that

Ms. Krammer shall be subject to nondisclosure, noncompetition, and nonsolicitation covenants for specified periods following the termination of her employment with us.

If we terminate Ms. Krammer's employment without cause (as defined in her employment agreement) or if Ms. Krammer resigns for good reason (as defined in her employment agreement) within 12 months of a change in control (as defined in her employment agreement) and she delivers a customary release of claims, she would be entitled to: (i) an amount equal to four times her annual compensation; (ii) a continuation of company-paid health and group-term life insurance benefits applicable to her as of the change of control (or provision of benefits equivalent thereto) for 24 months; and (iii) 100% acceleration of her then unvested options, restricted stock awards, performance shares, stock appreciation rights, and, subject to limitations imposed by the applicable award agreement and Section 409A of the Code, restricted stock units, performance-based restricted stock units, and long-term cash incentives.

Dr. Chan's Employment Agreement

On February 17, 2014 we entered into an Employment Agreement with Dr. Chan, pursuant to which Dr. Chan was employed as Executive Vice President of Research & Development for a term of four years with a one-year automatic renewal term. Dr. Chan's employment agreement terminates immediately in the event of his death or disability or, in the event either we or Dr. Chan delivers written notice of termination to the other party, on the fifteenth day following delivery of such notice of termination. In addition, we may immediately terminate Dr. Chan's employment agreement in the event Dr. Chan breaches such agreement or upon the occurrence of an event that would constitute cause (as defined in his employment agreement). Dr. Chan's employment agreement provides for a base salary of $225,000 per year and an annual bonus if performance targets are met, which determination shall be made at the discretion of the board of directors. Dr. Chan's employment agreement also provides that Dr. Chan shall be subject to nondisclosure, noncompetition, and nonsolicitation covenants for specified periods following the termination of his employment with us.

If we terminate Dr. Chan's employment without cause (as defined in his employment agreement) or if Dr. Chan resigns for good reason (as defined in his employment agreement) within 12 months of a change in control (as defined in his employment agreement) and he delivers a customary release of claims, he would be entitled to: (i) an amount equal to two times his annual compensation; (ii) a continuation of company-paid health and group-term life insurance benefits applicable to him as of the change of control (or provision of benefits equivalent thereto) for 18 months; and (iii) 100% acceleration of his then unvested options, restricted stock awards, performance shares, stock appreciation rights, and, subject to limitations imposed by the applicable award agreement and Section 409A of the Code, restricted stock units, performance-based restricted stock units, and long-term cash incentives.

We have no plans that provide for the payment of retirement benefits, or benefits that will be paid primarily following retirement, including, but not limited to, tax qualified defined benefit plans, supplemental executive retirement plans, tax qualified defined contribution plans and non-qualified defined contribution plans.

Potential Payments upon Termination or Change of Control

The Named Executive Officers, which is defined as our principal executive officer and our next two most highly paid executive officers as of the end of the most recent fiscal year, are eligible to receive certain severance payments and benefits in connection with a termination of employment following a change in control of our company. Although we have entered into a written agreement with each of our named executive officers to provide such severance payments and benefits, we, or an

acquirer, may mutually agree with the Named Executive Officers to provide payments and benefits on terms that vary from those currently contemplated.

In the event of a qualifying termination of employment within 12 months of a change of control, the Named Executive Officers shall be eligible to receive the payments and benefits as described above in "Employment Agreements." The receipt of any termination based payments or benefits is subject to the Named Executive Officer executing (and not subsequently revoking) a waiver and release of claims in favor of our company or successor company.

Payments to each of Mr. Pekarsky and Ms. Krammer may be reduced in the event such payments are considered parachute payments within the meaning of Section 280G of the Code or in the event such payments trigger excise tax under Section 4999 of the Code.

Additional Narrative Disclosure

At December 31, 2014, none of our Named Executive Officers had outstanding stock options or any other equity awards.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth information regarding beneficial ownership of our common stock as of March 24, 2015:

- each stockholder known by us to be the beneficial owner of more than 5% of our common stock;
- each of our directors;
- each of our Named Executive Officers; and
- all of our directors and executive officers as a group.

We have determined beneficial ownership in accordance with the rules of the SEC, and thus this table reflects sole or shared voting or investment power with respect to our capital stock. Unless otherwise indicated below, to our knowledge, the persons and entities named in the table have sole voting and sole investment power with respect to all shares that they beneficially owned, subject to community property laws where applicable. We have deemed shares of our common stock subject to options and warrants that are currently exercisable or exercisable within 60 days of March 24, 2015 to be outstanding and to be beneficially owned by the person holding such option or warrant for the purpose of computing the percentage ownership of that person but have not treated them as outstanding for the purpose of computing the percentage ownership of any other person.

On March 24, 2015, there were 15,623,403 shares of common stock outstanding (including 4,207,987 shares of the Company's Series A preferred stock on an as-converted basis).

Name of Beneficial Owner(1)	Shares	Percentage
Directors and Executive Officers:		
James R. Pekarsky(2)	2,500,000	16.00%
Anja Krammer	2,500,000	16.00%
Kin Chan	1,200,000	7.68%
Michael Hubbard	—	—
Stephen Morlock(3)	191,082	1.22%
Ping Wang	—	—
All executive officers and directors as a group (6 persons named above)(4)	6,391,082	40.91%
5% or Greater Stockholders		
KIP(5)	1,101,101	7.05%
Hong Dong Ping(6)	875,675	5.61%
Xiao Zheng(7)	810,811	5.19%

(1) Unless otherwise noted, the address of each person is 1098 Hamilton Court, Menlo Park, CA 94025.

(2) Consists of 2,500,000 shares of our common stock held by The James Pekarsky Trust, of which Mr. Pekarsky is the sole beneficiary and trustee.

(3) Consists of 13,514 shares of Series A preferred stock (on an as-converted basis) and 177,568 shares of common stock held by the Stephen W. Morlock and Karen R. Morlock TIEE UPT dated 04/21/03, of which Mr. and Ms. Morlock are co-trustees and co-beneficiaries.

(4) Consists of 13,514 shares of Series A preferred stock and 6,377,568 shares of our common stock held by all directors and executive officers as a group.

(5) Consists of (i) 290,000 shares of our common stock held by KIP, (ii) 540,541 shares of our Series A preferred stock held by KIP (on an as-converted basis) and (iii) 270,270 shares of our common stock issuable to KIP upon exercise of a warrant that could be exercised within 60 days of March 24, 2015, thus qualifying for inclusion in beneficial ownership. Although Ping Wang is a Principal of Korea Investment Partners Co., Ltd., which manages KIP, Mr. Wang does not have voting and dispositive power over the shares issued to KIP.

(6) Consists of (i) 200,000 shares of our common stock held by Hong Dong Ping, (ii) 540,541 shares of Series A preferred stock (on an as-converted basis) held by Mr. Ping and (iii) 135,134 shares of our common stock issuable to Mr. Ping upon exercise of a warrant that could be exercised within 60 days of March 24, 2015, thus qualifying for inclusion in beneficial ownership.

(7) Consists of 540,540 shares of Series A preferred stock (on an as-converted basis) held by Xiao Zheng and 270,270 shares of our common stock issuable to Ms. Zheng upon exercise of a warrant that could be exercised within 60 days of March 24, 2015, thus qualifying for inclusion in beneficial ownership.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

We describe below transactions and series of similar transactions, since January 1, 2014, to which we were a party or will be a party, in which:

- the amounts involved exceeded or will exceed the lesser of $120,000 or 1% of the average of our assets for the last two fiscal years; and
- any of our directors, executive officers, promoters or beneficial holders of more than 5% of any class of our capital stock had or will have a direct or indirect material interest.

Other than as described below, there have not been, nor are there any currently proposed, transactions or series of similar transactions to which we have been or will be a party other than compensation arrangements, which are described where required under "Executive Compensation."

Transactions with Founders

Our policy is that a contract or transaction either between us and a director, or between a director and another company in which he is financially interested is not necessarily void or voidable if the relationship or interest is disclosed or known to the board of directors and the stockholders are entitled to vote on the issue, or if it is fair and reasonable to our company.

Since the inception of BioPharmX, our founding executives, Mr. Pekarsky, Ms. Krammer and Dr. Chan, have made advances to cover short-term operating expenses. These advances are non-interest bearing. As of December 31, 2013 and 2014, related party payables of BioPharmX were $125,000 and $199,000, respectively, as noted in the table below.

	Year ended December 31,	
	2014	2013
James Pekarsky	$ 59,000	$ 112,000
Anja Krammer	75,000	11,000
Kin F. Chan	65,000	2,000
	$ 199,000	$ 125,000

Share Exchange Agreement

On January 23, 2014, we entered into and consummated transactions pursuant to a share exchange agreement with BioPharmX, Inc., and the stockholders of BioPharmX, Inc. (consisting of Mr. Pekarsky, Ms. Krammer, Dr. Chan and Mr. Kevin Mszanowski (the "Founders")), whereby we issued to the Founders an aggregate of 7,025,000 shares of our common stock in exchange for 100% of the shares of BioPharmX, Inc. The shares of our common stock received by the Founders in the transaction constituted approximately 77.8% of our then issued and outstanding common stock giving effect to the issuance of shares pursuant to the share exchange agreement.

Subscription Agreements

From April 2014 through November 2014, we issued and sold to accredited investors an aggregate of 4,207,987 shares of Series A stock, at a purchase price of $1.85 per share, for aggregate consideration of $7.8 million pursuant to Subscription Agreements and issued warrants with an initial exercise price of $3.70 per share for an aggregate of 2,042,583 shares of common stock.

In connection with the Series A stock financing, (i) KIP acquired 540,541 shares of Series A stock from us for aggregate consideration of $1.0 million and warrants exercisable for an aggregate of

270,270 shares of common stock at $3.70 per share, (ii) Hong Dong Ping acquired 540,541 shares of Series A stock from us for aggregate consideration of $1.0 million and warrants exercisable for an aggregate of 270,270 shares of common stock at $3.70 per share and (iii) Xiao Zheng acquired 540,540 shares of Series A stock from us for aggregate consideration of $1.0 million and warrants exercisable for an aggregate of 270,270 shares of common stock at $3.70 per share. KIP, Hong Dong Ping and Xiao Zheng each hold more than 5% of our capital stock. Ping Wang, one of our directors, is an affiliate of KIP.

Investors also received registration rights pursuant to the subscription agreements.

Restricted Stock Purchase Agreement

On November 10, 2014 we entered into a restricted stock purchase agreement ("RSPA") with KIP. Pursuant to the RSPA, we issued and sold to KIP 290,000 shares of common stock with 96,667 shares vesting immediately and the remaining 193,333 shares vesting on the earlier of our achieving $2 million in revenues from VI_2OLET or upon a "qualified listing", defined as uplisting to NYSE or NASDAQ within three years from the issuance of shares of Series A preferred stock, in exchange for Mr. Wang's, a principal of KIP, services as a director.

Investor Rights Agreements

We have entered into investor rights agreements with certain holders of our Series A preferred stock. These stockholders are entitled to rights with respect to the registration of their shares in connection with a public offering. The investor rights agreements will terminate upon receipt of approval of a qualified listing.

Voting Agreement

We are party to a voting agreement under which Mr. Pekarsky and Ms. Krammer have agreed to vote in a certain way on certain matters, including with respect to a merger or sale of us, or a sale of substantially all of our assets. Upon receipt of approval of a qualified listing, the voting agreement will terminate and Mr. Pekarsky and Ms. Krammer will no longer be required to vote in accordance with the agreement.

Indemnification Agreements

We have entered into indemnification agreements with each of our directors and executive officers. The indemnification agreements require us to indemnify our directors to the fullest extent permitted by Delaware law.

Employment Agreements

We have entered into employment agreements with Mr. Pekarsky, Ms. Krammer and Dr. Chan. For a description of these agreements, see "Executive Compensation."

Director Independence

We are not a "listed issuer" within the meaning of Item 407 of Regulation S-K and there are no applicable listing standards for determining the independence of our directors. Applying the definition of independence set forth in Rule 4200(a)(15) of The Nasdaq Stock Market, Inc., Mr. Hubbard, Mr. Wang and Mr. Morlock are considered independent directors. We have standing nominating, compensation and audit committees.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following lists fees billed and to be billed by the auditors for the Company, for the years ended December 31, 2014 and 2013 (in thousands):

Financial Statements for the Year Ended December 31,	Audit Fees	Audit Related Fees	Tax Fees	Other Fees
2014(1)	$ 110	—	—	—
2013(1)	$ 58	$ 23	—	—
2013(2)	$ 4	$ 5	$ 1	—

(1) These services were provided by Burr Pilger Mayer, Inc., who was engaged on January 23, 2014.

(2) These services were provided by Silberstein Ungar, PLLC, who was engaged through January 23, 2014.

- *Audit Fees.* Represents fees for professional services provided for the audit of our annual financial statements and review of our quarterly financial statements, and for audit services provided in connection with other statutory or regulatory filings.
- *Audit-Related Fees.* Represents fees for assurance and other services related to the audit of our financial statements.
- *Tax Fees.* Represents fees for professional services provided primarily for tax compliance and advice.
- *All Other Fees.* Represents fees for products and services not otherwise included in the categories above.

We have a standing audit committee, and such committee may establish audit pre-approval policies and procedures.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) *Financial Statements and Schedules*

The list of consolidated financial statements set forth in the accompanying Index to the Consolidated Financial Statements at page F-1 of this Annual Report on Form 10-K is incorporated herein by reference. Such consolidated financial statements and schedules are filed as part of this Annual Report on Form 10-K.

(b) *Exhibits*

See the Exhibit Index immediately following the signature page of this Annual Report on Form 10-K.

BIOPHARMX CORPORATION
FINANCIAL STATEMENTS
Years ended December 31, 2014 and 2013

CONTENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
BioPharmX Corporation

We have audited the accompanying consolidated balance sheets of BioPharmX Corporation and its subsidiary (the "Company") as of December 31, 2014 and 2013, and the related consolidated statements of operations and comprehensive loss, convertible redeemable preferred stock and stockholders' deficit, and cash flows for each of the two years in the period ended December 31, 2014. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of BioPharmX Corporation and its subsidiary as of December 31, 2014 and 2013, and the results of their operations and their cash flows for each of the two years in the period ended December 31, 2014 in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that BioPharmX Corporation and its subsidiary will continue as a going concern. As discussed in Note 3 to the consolidated financial statements, the Company's recurring losses from operations, available cash and accumulated deficit raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 3. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Burr Pilger Mayer, Inc.

San Jose, California
March 30, 2015

BIOPHARMX CORPORATION

CONSOLIDATED BALANCE SHEETS

as of December 31, 2014 and 2013

(in thousands, except share and per share data)

	2014	2013
ASSETS		
Current assets:		
Cash	$ 2,111	$ 3
Accounts receivable	2	—
Inventory	138	—
Prepaid expenses and other current assets	269	36
Total current assets	2,520	39
Property and equipment, net	235	32
Intangible assets	150	150
Other assets	50	150
Restricted cash	35	—
Total assets	$ 2,990	$ 371
LIABILITIES, CONVERTIBLE REDEEMABLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 486	$ 229
Accrued liabilities	426	198
Payroll liabilities	199	64
Deferred rent	51	65
Deferred revenue	6	—
Related party payables	199	125
Convertible notes, short-term	—	90
Total current liabilities	1,367	771
Convertible notes payable	—	938
Other long-term liabilities	—	32
Total liabilities	1,367	1,741
Commitments and contingencies (Note 11)		
Series A convertible redeemable preferred stock, $0.001 par value; 10,000,000 shares authorized; 4,207,987 and no shares issued and outstanding at December 31, 2014, and 2013, respectively (liquidation preference of $7.9 million as of December 31, 2014)	6,730	—
Stockholders' deficit:		
Common stock, $0.001 par value; 90,000,000 shares authorized; 11,375,311 and 7,025,000 shares issued and outstanding at December 31, 2014 and 2013, respectively	11	7
Additional paid-in capital	4,372	306
Accumulated deficit	(9,490)	(1,683)
Total stockholders' deficit	(5,107)	(1,370)
Total liabilities, convertible redeemable preferred stock and stockholders' deficit	$ 2,990	$ 371

The accompanying notes are an integral part of these consolidated financial statements.

BIOPHARMX CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

for the years ended December 31, 2014 and 2013

(in thousands, except share and per share data)

	Year ended December 31,	
	2014	2013
Operating expenses:		
Research and development	$ 2,519	$ 671
Sales and marketing	2,299	132
General and administrative	2,953	711
Total operating expenses	7,771	1,514
Loss from operations	(7,771)	(1,514)
Other income	40	—
Interest expense, net	(76)	(74)
Net and comprehensive loss	(7,807)	(1,588)
Accretion on Series A convertible redeemable preferred stock	(163)	—
Deemed dividend on Series A convertible redeemable preferred stock	(159)	—
Net loss available to common stockholders	$ (8,129)	$ (1,588)
Basic and diluted net loss available to common stockholders per share	$ (0.80)	$ (0.22)
Shares used in computing basic and diluted net loss per share	10,217,000	7,119,000

The accompanying notes are an integral part of these consolidated financial statements.

BIOPHARMX CORPORATION

CONSOLIDATED STATEMENTS OF CONVERTIBLE REDEEMABLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT

for the years ended December 31, 2014 and 2013

(in thousands, except share and per share data)

	Series A Convertible Redeemable Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount			
Balance at December 31, 2012	—	$ —	7,400,000	$ 7	$ 42	$ (95)	$ (46)
Repurchase of common stock	—	—	(375,000)	—	—	—	—
Stock-based compensation	—	—	—	—	58	—	58
Issuance of convertible notes payable with beneficial conversion feature	—	—	—	—	206	—	206
Net and comprehensive loss	—	—	—	—	—	(1,588)	(1,588)
Balance at December 31, 2013	—	—	7,025,000	7	306	(1,683)	(1,370)
Thompson Designs, Inc. common stock assumed in conjunction with Share Exchange	—	—	2,000,000	2	(2)	—	—
Issuance of convertible notes payable with beneficial conversion feature	—	—	—	—	204	—	204
Issuance of common stock due to exercise of options and release of awards		—	824,310	1	98	—	99
Issuance of warrants to non-employees		—			204	—	204
Conversion of convertible notes payable to common stock	—	—	1,526,001	1	1,846	—	1,847
Stock-based compensation	—	—	—	—	1,193	—	1,193
Issuance of preferred stock, related warrants and common stock	4,207,987	6,408			845	—	845
Interest on preferred stock		159			(159)	—	(159)
Accretion of stock issuance costs		163			(163)		(163)
Net and comprehensive loss	—	—	—	—	—	(7,807)	(7,807)
Balance at December 31, 2014	4,207,987	$ 6,730	11,375,311	$ 11	$ 4,372	$ (9,490)	$ (5,107)

The accompanying notes are an integral part of these consolidated financial statements.

BIOPHARMX CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

for the years ended December 31, 2014 and 2013

(in thousands)

	Year ended December 31,	
	2014	2013
Cash flows from operating activities:		
Net loss	$ (7,807)	$ (1,588)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation expense	1,193	58
Depreciation expense	25	5
Warrants issued for services provided	99	
Noncash interest expense	76	74
Changes in assets and liabilities:		
Accounts receivable	(2)	—
Inventories	(138)	—
Prepaid expenses and other assets	(133)	(184)
Accounts payable	257	446
Accrued expenses	214	—
Payroll liabilities	135	—
Deferred revenue	6	—
Related party payables	74	109
Net cash used in operating activities	(6,001)	(1,080)
Cash flows from investing activities:		
Change in restricted cash	(35)	—
Purchases of property and equipment	(228)	(25)
Purchase of intellectual property	—	(60)
Net cash used in investing activities	(263)	(85)
Cash flows from financing activities:		
Proceeds from issuance of common stock	99	—
Repurchase of common stock	—	—
Net proceeds from issuance of convertible redeemable preferred stock and common stock warrants	7,253	—
Proceeds from issuance of convertible notes payable	1,020	1,030
Net cash provided by financing activities	8,372	1,030
Net increase in cash	2,108	(135)
Cash at beginning of year	3	138
Cash at end of year	$ 2,111	$ 3
Non-cash investing and financing activities:		
Intellectual assets purchase accrued	$ —	$ 90
Conversion of convertible notes payable to common stock	$ 1,847	$ —
Fair value of beneficial conversion feature issued in connection with convertible notes payable	$ 204	$ 206
Issuance of common stock warrants in connection with convertible notes payable	$ 105	$ —

The accompanying notes are an integral part of these consolidated financial statements.

BIOPHARMX CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. FORMATION AND BUSINESS OF THE COMPANY

Description of Business

BioPharmX Corporation is incorporated under the laws of the state of Delaware and originally incorporated on August 30, 2010 in Nevada under the name Thompson Designs, Inc. We have only one wholly owned subsidiary, BioPharmX, Inc. a Nevada corporation.

The Company is a specialty pharmaceutical company focused on utilizing our proprietary drug delivery technologies to develop and commercialize novel prescription and over-the-counter, or OTC, products that address large markets in women's health and dermatology. The Company's objective is to develop products that treat health or age-related conditions that (1) are not presently being addressed or treated at all or (2) are currently treated with drug therapies or drug delivery approaches that are suboptimal. The Company's strategy is designed to bring new products to market by identifying optimal delivery mechanisms and/or alternative applications for FDA-approved active pharmaceutical ingredients, or APIs, while in appropriate circumstances, reducing the time, cost and risk typically associated with new product development by repurposing drugs with demonstrated safety profiles taking advantage of the regulatory approval pathway under Section 505(b)(2) of the Federal Food, Drug and Cosmetic Act, or FDC Act available for repurposed/reformulated drugs. The Company believes the 505(b)(2) regulatory pathway may reduce drug development risk and could reduce the time and resources we spend during development.

Share Exchange

On January 23, 2014, the Company (then operating as Thompson Designs, Inc.), BioPharmX, Inc. and stockholders of BioPharmX, Inc., who collectively owned 100% of BioPharmX, Inc., entered into and consummated transactions pursuant to a share exchange agreement, such transaction referred to as the Share Exchange, whereby the Company issued to the stockholders of BioPharmX, Inc. an aggregate of 7,025,000 shares of its common stock, in exchange for 100% of the shares of BioPharmX, Inc. held by stockholders. The shares of the Company's common stock received by the stockholders of BioPharmX, Inc. in the Share Exchange constituted approximately 77.8% of our then issued and outstanding common stock, after giving effect to the issuance of shares pursuant to the share exchange agreement. As a result of the Share Exchange, BioPharmX, Inc. became the Company's wholly-owned subsdidiary. For accounting purposes, the Share Exchange was treated as a reverse acquisition with BioPharmX, Inc. as the acquirer and the Company as the acquired party, and as a result the historical financial statements prior to the Share Exchange included in this Annual Report on Form 10-K are the historical financial statements of BioPharmX, Inc. On March 3, 2014, we changed the Company's name to BioPharmX Corporation. On April 25, 2014, the Company reincorporated from Nevada to Delaware.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). The accompanying financial statements include the accounts of BioPharmX and our wholly-owned subsidiary. All intercompany transactions have been eliminated in consolidation.

BIOPHARMX CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosures. On an ongoing basis, management evaluates its significant accounting policies or estimates. We base our estimates on historical experience and on various market specific and other relevant 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 significantly from these estimates and such differences may be material to the financial statements.

Reclassification

Certain prior year amounts have been reclassified to conform to the current year presentation. The amounts for the prior periods have been reclassified to be consistent with the current year presentation and have no impact on previously reported total assets, total stockholders' deficit or net loss.

Fair Value of Financial Instruments

Carrying amounts of certain of the Company's financial instruments, including cash, prepaid and other current assets, accounts payable and accrued expenses and related party payables approximate fair value due to their short maturities. Based on borrowing rates currently available to the Company for loans with similar terms, the carrying value of the convertible notes payable approximates fair value.

Inventory

Inventory is stated at the lower of cost or market. Cost is determined using the standard cost method which approximates actual cost on a first-in, first-out basis. Market value is determined as the lower of replacement cost or net realizable value. The Company regularly reviews inventory quantities in consideration of actual loss experiences, projected future demand, and remaining shelf life to record a provision for excess and obsolete inventory when appropriate.

Shipping and Handling Costs

Shipping and handling costs are expensed as incurred and are included in cost of revenue.

Revenue Recognition

The Company shipped its first product to a retailer in December 2014. The product, the VI_2OLET breast health tablet, is a new product in the dietary supplement field. Revenue is recognized provided that persuasive evidence of a sales arrangement exists, the price is fixed or determinable, title and risk of loss has transferred, calculability of the resulting receivable is reasonably assured, there are no customer acceptance requirements and we do not have any significant post-shipment obligations. The Company recognizes revenue on a sell through basis since we do not have the historical information to estimate product returns. As a result, the Company accounts for these product shipments using a deferred revenue recognition model. Under the deferred revenue recognition model, the Company does not recognize revenue upon product shipment. For these product shipments, the Company invoices the reseller, records deferred revenue at gross invoice sales price, and classifies the cost basis of the

BIOPHARMX CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

product held by the wholesaler as a component of inventory. The Company recognizes revenue when product is sold by the reseller to the end-user, on a first-in first-out (FIFO) basis.

Property and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and amortization. Depreciation and amortization are recognized using the straight-line method. Repairs and maintenance costs are expensed as incurred. Estimated useful lives in years are as follows:

Description	Estimated Useful Life
Furniture	5 and 7
Laboratory and manufacturing equipment	5
Computer & network equipment	3
Software	3

Intangible Assets

Intangible assets related to in-process research and development (IPR&D) projects are considered to be indefinite-lived until the completion or abandonment of the associated research and development (R&D) efforts. During the period the assets are considered indefinite-lived, they will not be amortized but will be tested for impairment on an annual basis as well as between annual tests if we become aware of any events or changes that would indicate a reduction in the fair value of the IPR&D projects below their respective carrying amounts. If and when development is complete, which generally occurs if and when regulatory approval to market a product is obtained, the associated assets would be deemed finite-lived and would then be amortized based on their respective estimated useful lives at that point in time.

As of December 31, 2014 there have been no sales of VI_2OLET. As such, the amortization period associated with the intangible asset has not commenced.

Intangible assets with finite useful lives are amortized over their estimated useful lives. Intangible assets with finite useful lives are reviewed for impairment when facts or circumstances suggest that the carrying value of these assets may not be recoverable.

Impairment of Long-Lived Assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset might not be recoverable. When such an event occurs, management determines whether there has been an impairment by comparing the anticipated undiscounted future net cash flows to the related asset's carrying value. If an asset is considered impaired, the asset is written down to fair value, which is determined based either on discounted cash flows or appraised value, depending on the nature of the asset. The Company has not identified any such impairment losses to date.

BIOPHARMX CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Company accounts for income taxes using the liability method whereby deferred tax asset and liability account balances are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. Valuation allowances are established to reduce deferred tax assets when management estimates, based on available objective evidence, that it is more likely than not that the benefit will not be realized for the deferred tax assets.

The Company's policy is to recognize interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense. As of the date of adoption of accounting for uncertain tax positions there was no accrued interest or penalties associated with any unrecognized tax benefits, nor was any interest expense recognized during the year.

Comprehensive Loss

Comprehensive loss is the changes in equity of an enterprise, except those resulting from stockholder transactions. Accordingly, comprehensive loss includes certain changes in equity that are excluded from net loss. For the years ended December 31, 2014 and 2013, the Company's comprehensive loss is equal to the net loss. There were no components of other comprehensive loss for any of the periods presented.

Research and Development Expenses

Research and development expenses are expensed as incurred and consist primarily of personnel costs, including salaries, benefits and stock-based compensation, clinical studies performed by contract research organizations (CROs), materials and supplies and overhead allocations consisting of various and facilities-related costs.

Stock-Based Compensation

The Company recognizes stock-based compensation for awards granted to employees on a straight-line basis over the requisite service period, usually the vesting period, based on the grant-date fair value using the Black-Scholes pricing model.

The Company records stock-based compensation expense for awards granted to non-employees, excluding non-employee directors, based upon the estimated then-current fair value of the equity instrument using the Black-Scholes pricing model. The Company charges the value of the equity instrument to the Consolidated Statements of Operations and Comprehensive Loss over the term of the service agreement and the unvested shares underlying the option are subject to periodic revaluation over the remaining vesting period.

Advertising Expenses

The Company expenses the costs of advertising, including promotional expenses, as incurred. Advertising expenses were $68,000 and $7,000 in 2014 and 2013, respectively.

BIOPHARMX CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Loss Per Share Attributable to BioPharmX Common Stockholders

The following table is a reconciliation of the numerator and denominator used in the calculation of basic and diluted net loss per share attributable to BioPharmX common stockholders:

	2014	2013
Numerator:		
Net loss attributable to BioPharmX stockholders (in thousands)	$ (8,129)	$ (1,588)
Denominator:		
Weighted-average shares of common stock outstanding used in the calculation of basic net loss per share attributable to BioPharmX common stockholders	10,217,000	7,119,000
Effect of dilutive securities:		
Stock options and equivalents	—	—
Convertible preferred stock	—	—
Weighted-average shares of common stock outstanding used in the calculation of diluted net loss per share attributable to BioPharmX common stockholders	10,217,000	7,119,000

Basic net loss per share attributable to BioPharmX common stockholders is calculated based on the weighted-average number of shares of our common stock outstanding during the period. Diluted net loss per share attributable to BioPharmX common stockholders is calculated based on the weighted-average number of shares of our common stock outstanding and other dilutive securities outstanding during the period. The potential dilutive shares of our common stock resulting from the assumed exercise of outstanding stock options and the assumed conversion of convertible notes are determined under the treasury stock method.

The following outstanding shares of common stock equivalents were excluded from the computation of diluted net loss per share of common stock for the periods presented because including them would have been antidilutive:

	Years ended December 31,	
	2014	2013
Convertible redeemable preferred stock	4,207,987	—
Stock options and awards to purchase common stock	2,802,690	2,606,000
Common stock warrants	2,702,537	—

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, (ASU 2014-09), which converges the FASB and the International Accounting Standards Board standards on revenue recognition. Areas of revenue recognition that will be affected include, but are not limited to, transfer of control, variable consideration, allocation of transfer pricing, licenses, time value of money, contract costs and

BIOPHARMX CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

disclosures. This guidance is effective for the fiscal years and interim reporting periods beginning after December 15, 2016. The Company is currently evaluating the impact that the adoption of ASU 2014-09 will have on its consolidated financial statements and related disclosures.

On June 10, 2014, the FASB issued ASU 2014-10, *Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation*, (ASU 2014-10), which eliminates the definition of a development stage entity, eliminates the development stage presentation and disclosure requirements under Accounting Standards Codification, or ASC, 915 *Development Stage Entities*, or ASC 915, and amends provisions of existing variable interest entity guidance under ASC 810 *Consolidation* . As a result of the changes, entities which meet the former definition of a development stage entity will no longer be required to: (1) present inception-to-date information in the statements of income, cash flows, and stockholder equity; (2) label the financial statements as those of a development stage entity; (3) disclose a description of the development stage activities in which the entity is engaged; and (4) disclose in the first year in which the entity is no longer a development stage entity that in prior years it had been in the development stage. Furthermore, ASU 2014-10 clarifies disclosures about risks and uncertainties under ASC Topic 275, *Risks and Uncertainties*, that apply to companies that have not commenced planned principal operations. Finally, variable interest entity rules no longer contain an exception for development stage entities and, as a result, development stage entities will have to be evaluated for consolidation in the same manner as non-development stage entities.

Under ASU 2014-10, entities are no longer required to apply the presentation and disclosure provisions of ASC 915 during annual periods beginning after December 15, 2014. In addition, the revisions to the consolidation standards are effective for annual periods beginning after December 15, 2015 for public entities and are effective for annual periods beginning after December 15, 2016 for nonpublic entities. Early adoption is permitted for any annual reporting period or interim period for which the entity's financial statements have not yet been issued (public business entities) or made available for issuance (other entities).

The Company has adopted ASU 2014-10 effective as of its issuance date. Adoption of this standard had no impact on its financial position, results of operations, or cash flows; however, the presentation of the consolidated financial statements and related disclosures in the notes to the consolidated financial statements has been changed to eliminate the disclosures that are no longer required.

In August 2014, the FASB issued ASU 2014-15, *Presentation of Financial Statements—Going Concern* (ASU 2014-15). This standard includes guidance about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern within one year after the financial statements are issued. If conditions or events raise substantial doubt, the entity must disclose the conditions or events that raise substantial doubt about the entity's ability to continue as a going concern, management's evaluation of those conditions or events, and management's plans to mitigate the conditions or events. This update is effective for interim and annual reporting periods beginning after December 15, 2016. Early adoption is permitted. The Company is currently evaluating the impact that the adoption of ASU 2014-15 will have on its consolidated financial statements and related disclosures.

BIOPHARMX CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Company has reviewed other recent accounting pronouncements and concluded they are either not applicable to the business, or no material effect is expected on the consolidated financial statements as a result of future adoption.

3. GOING CONCERN CONSIDERATIONS AND MANAGEMENT'S PLAN

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. The Company has incurred recurring losses and negative cash flows from operations since inception. The Company has not generated revenues and has funded its operating losses through the issuance of convertible notes payable and Series A convertible redeemable preferred stock (Series A). The Company has a limited operating history and its prospects are subject to risks, expenses and uncertainties frequently encountered by companies in the industry.

The significant risks and uncertainties described herein could have a significant negative impact on the financial viability of BioPharmX and raise substantial doubt about the Company's ability to continue as a going concern. Management is working on the Company's business model to increase working capital by managing its cash flow, securing financing and introducing its first product to market.

Risks include, but are not limited to, the uncertainty of availability of additional financing and the uncertainty of achieving future profitability. Management of the Company intends to raise additional funds through the issuance of equity securities. There can be no assurance that such financing will be available or on terms which are favorable to the Company. Failure to generate sufficient cash flows from operations, raise additional capital or reduce certain discretionary spending could have a material adverse effect on the Company's ability to achieve its intended business objectives. These factors raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not contain any adjustments that might result from the outcome of this uncertainty.

As shown in the accompanying consolidated financial statements, the Company incurred a net loss of $7.8 million and $1.6 million during the years ended December 31, 2014 and 2013, respectively, and has an accumulated deficit of $9.5 million as of December 31, 2014. As of December 31, 2014, the Company had working capital of $1.2 million. While management of the Company believes that it has a plan to fund on-going operations, there is no assurance that its plan will be successfully implemented. The Company is experiencing the following risks and uncertainties in the business:

The discovery of key raw materials to formulate novel products depends on the Company's ability to identify, negotiate and secure procurement of such materials. This also depends on the Company's ability to establish comprehensive and long term vendor contracts and relationships.

The Company's ability to compete and to achieve its product platform strategy depends on its ability to protect its proprietary discoveries and technologies. The Company currently relies on a combination of copyrights, trademarks, trade secret laws and confidentiality agreements to protect its intellectual property rights. The Company also relies upon unpatented know-how and continuing technological innovation.

The Company's continued operations are dependent upon its ability to identify, recruit and retain adequate management personnel and contractors to perform certain jobs such as research and development, patent generation, regulatory affairs and general administrative functions. The Company requires highly trained professionals of varying levels and experience along with a flexible work force.

BIOPHARMX CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. GOING CONCERN CONSIDERATIONS AND MANAGEMENT'S PLAN (Continued)

The Company's ability to generate income in the short-run will depend greatly on the rate of adoption and ability to establish a market for the Company's VI_2OLET breast health tablet.

Research and development for novel prescription or OTC based products can be very extensive and lengthy in nature; and the clinical trial process with the Food and Drug Administration can require significant funding and time consuming patient studies. The competitive landscape could change significantly over the time period to complete targeted product development milestones. The current competition for BioPharmX's products could also turn into strategic partners or potential acquirers in the future.

4. FAIR VALUE MEASUREMENTS

The Company recognizes and discloses the fair value of its assets and liabilities using a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (Level 3 measurements). Each level of input has different levels of subjectivity and difficulty involved in determining fair value.

- Level 1—Inputs used to measure fair value are unadjusted quoted prices that are available in active markets for the identical assets or liabilities as of the reporting date. Therefore, determining fair value for Level 1 investments generally does not require significant judgment, and the estimation is not difficult.

- Level 2—Pricing is provided by third party sources of market information obtained through investment advisors. The Company does not adjust for or apply any additional assumptions or estimates to the pricing information received from its advisors.

- Level 3—Inputs used to measure fair value are unobservable inputs that are supported by little or no market activity and reflect the use of significant management judgment. These values are generally determined using pricing models for which the assumptions utilize management's estimates of market participant assumptions. The determination of fair value for Level 3 instruments involves the most management judgment and subjectivity.

As of December 31, 2014 and 2013, the Company held no assets or liabilities with instrument valuations measured on a recurring basis.

5. INVENTORY

Inventory at December 31, 2014 and 2013 consisted of the following (in thousands):

	2014	2013
Work in Process	$ 135	$ —
Finished Goods	2	—
Channel Inventory	1	—
	$ 138	$ —

BIOPHARMX CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

6. PROPERTY AND EQUIPMENT

Property and equipment, net at December 31, 2014 and 2013 consisted of the following (in thousands):

	2014	2013
Furniture	$ 18	$ 11
Lab equipment	26	12
Computers and equipment	78	15
Software	144	—
	266	38
Less: accumulated depreciation	(31)	(6)
	$ 235	$ 32

Depreciation expense for the years ended December 31, 2014 and 2013 was $25,000 and $5,000.

7. RESTRICTED CASH

The Company has restricted cash in the amount of $35,000 held by Bank of America in a money market account to secure the credit line of the Company's credit cards.

8. ACCRUED LIABILITIES

Accrued liabilities at December 31, 2014 and 2013 consisted of the following (in thousands):

	2014	2013
Marketing	$ 267	$ —
Legal	80	89
Production	57	—
Intellectual property	—	90
Other	22	19
Total accrued liabilities	$ 426	$ 198

9. RELATED PARTY PAYABLES

Since inception, the founding executives of the Company have made advances to cover short-term operating expenses. Additionally, since the beginning of 2014 a portion of their compensation is being deferred and is included in this balance. These advances and deferred compensation are non-interest bearing. As of December 31, 2014 and 2013, related party payables were $199,000 and $125,000, respectively.

10. LONG-TERM OBLIGATIONS

Financing Arrangements

In September and November 2012, the Company issued convertible notes payable ("Notes") to two individuals, respectively, in exchange for $200,000 in cash. These Notes carry an interest rate of 6% per

BIOPHARMX CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

10. LONG-TERM OBLIGATIONS (Continued)

annum and mature in September and November 2015, respectively, with principal and interest payable at maturity.

During the year ended December 31, 2013, the Company issued Notes to twelve individuals in exchange for $1.0 million in cash. These notes carry an interest rate of 6% per annum and mature between June 2014 and October 2016, with principal and interest payable at maturity.

During the first quarter of 2014, the Company issued convertible notes payable to thirteen individuals in exchange for $1.0 million in cash. The Notes carry an interest rate of 6% per annum and mature between January 2015 and March 2017, with principal and interest payable at maturity.

The Notes automatically convert into common stock upon the Company entering into a qualified preferred stock financing at 80% of the price per share at which such preferred stock is issued in such an offering. Additionally, there is a special conversion that at maturity, unless the Company repays all outstanding principal and interest, the Notes shall be automatically converted into a number of shares of common stock of the Company at 80% of the then fair market value per share.

As a result of this beneficial conversion feature, the Company recorded $204,000 and $206,000, as a debt discount during the years ended December 31, 2014 and 2013. The debt discount was amortized to interest expense over the term of the Notes using the effective interest rate method. The amortization expense related to the debt discount was $49,000 and $41,000 for the years ended December 31, 2014 and 2013.

During the year ended December 31, 2014, the Company completed a private placement (the "Private Placement") of shares of its Series A and warrants to purchase common stock ("Warrants"). The Private Placement was consummated in a series of closings that occurred between April 2014 and November 2014. The Company sold to accredited investors and non-U.S. persons 4.2 million shares of Series A at a per share price of $1.85 for total net proceeds of approximately $7.3 million and issued to the investors for no additional consideration the Warrants to purchase in the aggregate 2.0 million shares of the Company's common stock, at an exercise price of $3.70 per share pursuant to a series of subscription agreements. See Note 12.

As a result, upon the first Series A closing on April 11, 2014, the convertible notes payable balance, net of unamortized discounts, of $1.8 million was converted into 1,526,001 shares of common stock. The balance of the accrued interest was waived. As of December 31, 2014, there were no remaining outstanding convertible notes.

11. COMMITMENTS AND CONTINGENCIES

Lease Arrangements

On August 23, 2013, the Company signed a lease for 10,800 square feet of office and laboratory space in Menlo Park, California. The term of the lease is 39 months from the lease commencement

BIOPHARMX CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. COMMITMENTS AND CONTINGENCIES (Continued)

date of September 1, 2013. Future minimum commitments under this lease are as follows (in thousands):

Years ending December 31,	
2015	$ 288
2016	271
Total	$ 559

Legal Proceedings

We are not currently a party to any legal proceedings. We are not aware of any pending legal proceeding to which any of our officers, directors, or any beneficial holders of 5% or more of our voting securities are adverse to us or have a material interest adverse to us.

Indemnification

The Company enters into standard indemnification arrangements in the ordinary course of business. Pursuant to these arrangements, the Company indemnifies, holds harmless, and agrees to reimburse the indemnified parties for losses suffered or incurred by the indemnified party, in connection with any trade secret, copyright, patent or other intellectual property infringement claim by any third-party with respect to the Company's technology. The term of these indemnification agreements is generally perpetual. The maximum potential amount of future payments the Company could be required to make under these agreements is not determinable because it involves claims that may be made against the Company in the future, but have not yet been made.

The Company has entered into indemnification agreements with its directors and officers that may require the Company to indemnify its directors and officers against liabilities that may arise by reason of their status or service as directors or officers, other than liabilities arising from willful misconduct of the individual.

The Company has not incurred costs to defend lawsuits or settle claims related to these indemnification agreements. No liability associated with such indemnifications has been recorded to date.

License Agreement

In March 2013, the Company entered into an amended and restated collaboration and license agreement with Iogen LLC, which provides the Company the license the rights to label, market, and resell the finished inventory and ongoing manufacturing of the Iogen molecular iodine technology for future product formulation development and commercialization. New formulation patents developed by the Company will be the sole ownership of the Company. The agreement gives the Company a perpetual, fully paid-up, non-exclusive license under the licensed Intellectual Property (IP) rights to make, have made, use, sell, offer for sale and import products.

BIOPHARMX CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

11. COMMITMENTS AND CONTINGENCIES (Continued)

Per terms of the license the Company is required to make future payments of:

- Pay a fee for acquiring all finished inventory of the Iogen Product.
- Pay a fee for the non-exclusive license to the IP.
- Pay 30% of net profit associated with direct commercialization of an OTC product or 30% of net royalties received from any sub-licensee.
- Pay a royalty of 3% of net sales for the first 12 months of commercialization and 2% of net sales thereafter for other products developed and commercialized under the license, including a prescription version of the iodine tablet.
- Pay a fixed royalty fee for the protection and indemnification of licensed IP rights for the prescription product developed, marketed and sold from newly developed formulations as long as the patents are valid and cover the prescription product.
- Pay a fixed royalty fee for the protection and indemnification of licensed IP rights for the other products utilizing the molecular iodine technology developed, marketed and sold from newly developed formulations as long as the patents are valid and cover the prescription product.

The Company capitalized as Intangible Assets, in the year ended December 2013, the amount of $150,000 related to this agreement. No royalties have been paid as of December 31, 2014.

12. CONVERTIBLE REDEEMABLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY

Common Stock

On March 27, 2013, the Company terminated one of the founders and repurchased 375,000 shares for $18.

As described in Note 1, on January 23, 2014, the Company issued 7,025,000 shares of its common stock to BioPharmX, Inc. stockholders.

As described in Note 10, on April 11, 2014, the Company's convertible notes and eligible interest were converted to 1,526,001 shares of common stock upon the first closing of the offer and sale of Series A Preferred Stock.

During the year ended December 31, 2014, the Company issued 727,643 shares of common stock upon the exercise of stock options.

In November 2014, the Company issued 290,000 shares of common stock to Korea Investment Partners Expansion Platform Fund of which 96,667 vested immediately and 193,333 will vest upon completion of the $2 million investment outlined in the Series A subscription agreement. The unvested shares are not considered outstanding for financial reporting purposes.

At December 31, 2014, the Company has 11,375,311 shares of common stock currently issued and outstanding.

Series A Preferred Stock

The Company entered into Subscription Agreements for a private placement of shares of our Series A and Warrants with 47 accredited investors during 2014 whereby we sold an aggregate of

BIOPHARMX CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

12. CONVERTIBLE REDEEMABLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (Continued)

4,207,987 shares of Series A at a per share price of $1.85 for gross proceeds of $7.5 million and issued to the investors for no additional consideration the Warrants to purchase in the aggregate 2,042,583 shares of the Company's common stock, with an exercise price of $3.70 per share.

The Warrants with an allocated fair value of $845,000 were classified as additional paid-in capital. The Company determined the fair value using the Black-Scholes pricing model with the following assumptions: dividend rate of 0%, risk-free rate of 1.6% to 4.0%, contractual term of 5 years and expected volatility of 88.8%. These Warrants were immediately exercisable, and as of December 31, 2014, were all outstanding.

In connection with the Subscription Agreements, the Company, the majority shareholders of the Company and the Investors entered into Investor Rights Agreements (the Investor Rights Agreements) with the Investors, whereby the Investors were granted certain rights including: (i) right to receive copies of quarterly and annual reports of the Company, (ii) right of inspection of the Company's properties and records, (iii) right of participation in future securities offerings, (iv) tag-along rights in connection with sales of the Company's stock by a major shareholder, and (v) board of directors representation rights for the subscribers who purchased at least 500,000 shares of Series A and hold at least 30% of such shares (the "Qualified Subscribers"). The Company made certain covenants under the agreement including: (i) uplisting to NYSE or NASDAQ within three years from the issuance shares of Series A, and (ii) increase of the board of directors to five members including one member to be appointed by the Qualified Subscribers.

Significant terms of Series A are as follows:

- Holders of the Series A are entitled to interest payment at the rate of 6% of the purchase price per annum. The Company has the option to pay this interest in shares of common stock or in cash. As of December 31, 2014, $159,000 in interest has been accreted to the Series A. Holders of the Series A are entitled to receive dividends on an as converted basis with the holders of the Company's common stock.

- The holders of the Series A are entitled to vote together with the holders of the Company's common stock, with each such holder of Series A entitled to the number of votes equal to the number of shares of the Company's common stock into which such Series A would be converted if converted on the record date for the taking of a vote.

- Each share of Series A is initially convertible, at any time at the sole option of the holder, into one share of the Company's common stock, subject to future adjustments as provided for in the Series A Certificate. The Series A shall automatically convert into shares of the Company's common stock upon the uplisting of the common stock to NYSE or NASDAQ within three years from the issuance of shares of Series A.

- If the Company fails to effect the uplisting within three years from the issuance of shares of Series A, the holders will have the right to require the Company to redeem all or a portion of the then outstanding Series A at a price per share equal to the Series A liquidation preference.

BIOPHARMX CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

12. CONVERTIBLE REDEEMABLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (Continued)

Warrants

In addition to the Warrants issued in conjunction with the Subscription Agreements, the Company issued warrants on May 15, 2014, to a service provider for 316,395 shares of common stock at an exercise price of $2.035 per share, which were valued at $99,000 and expensed. The Company also issued to a qualified investor as a part of his convertible loan package for 343,559 shares of common stock at an exercise price of $1.85 per share, which was valued at $105,000. These warrants expire after five years. The Company determined the fair value using the Black-Scholes option pricing model with the following assumptions: dividend rate of 0%, risk-free rate of 1.6%, contractual term of 5 years and expected volatility of 88.8%. These Warrants were immediately exercisable, and as of December 31, 2014, were all outstanding.

Equity Incentive Plan

On January 23, 2014, the Company adopted the 2014 Equity Incentive Plan (the "2014 Plan") which permits the Company to grant stock options to directors, officers or employees of the Company or others to purchase shares of common stock of the Company through awards of incentive and nonqualified stock options ("Options"), stock ("Restricted Stock" or "Unrestricted Stock") and stock appreciation rights ("SARs"). Options previously issued under the BioPharmX, Inc. 2011 Equity Incentive Plan were cancelled, and options under the 2014 Plan were issued to replace all cancelled BioPharmX, Inc. options.

The Company currently has time-based options outstanding. The time-based options generally vest in two to four years and expire ten years from the date of grant. Total number of shares originally reserved and available for grant and issuance pursuant to this Plan was 2,700,000. Shares issued under the Plan will be drawn from authorized and unissued shares or shares now held or subsequently acquired by the Company. On November 7, 2014, the Company increased the stock available to the 2014 Equity Incentive Plan for options grants from 2,700,000 shares to 4,500,000 shares. At December 31, 2014, there were 1,163,000 shares available for grant under the Plan.

BIOPHARMX CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

12. CONVERTIBLE REDEEMABLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (Continued)

The following table summarizes the Company's stock option activities for the years ended December 31, 2014 and 2013:

	Shares	Weighted Average Exercise Price Per Share	Remaining Contractual Term	Aggregate Intrinsic Value (in thousands)
Outstanding as of January 1, 2013	1,150,000	$ 0.06		
Granted	1,456,000	0.40		
Exercised	—	—		
Cancelled	—	—		
Outstanding as of December 31, 2013	2,606,000	$ 0.25		
Granted	891,000	1.85		
Exercised	(727,643)	0.14		
Cancelled	(160,000)	0.37		
Outstanding as of December 31, 2014	2,609,357	$ 0.82	8.52	$ 5,686
Vested and exercisable	972,462	$ 0.39	7.71	$ 2,542
Vested and expected to vest	2,490,074	$ 0.80	8.49	$ 5,478

The weighted average grant date fair values of the stock options granted during the years ended December 31, 2014 and 2013 were $1.10 and $0.28 per share, respectively.

The following table summarizes significant ranges of outstanding and exercisable options as of December 31, 2014 (in thousands, except contractual life and exercise price):

	Options Outstanding			Options Vested and Exercisable	
Range of Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life (in Years)	Weighted Average Exercise Price	Number Vested and Exercisable	Weighted Average Exercise Price
$0.05 - $0.35	1,550,857	7.68	$ 0.21	797,462	$ 0.17
$1.00	167,500	6.76	$ 1.00	100,000	$ 1.00
$1.85	891,000	9.79	$ 1.85	75,000	$ 1.85
	2,609,357	8.52	$ 0.82	972,462	$ 0.39

The total intrinsic value of employee stock options exercised during the years ended December 31, 2014 and 2013 was $676,000 and zero, respectively.

As of December 31, 2013, total compensation costs related to unvested, but not yet recognized, stock-based awards was $2,573,000, net of estimated forfeitures. This cost will be amortized on a

BIOPHARMX CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

12. CONVERTIBLE REDEEMABLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY (Continued)

straight-line basis over a weighted average remaining period of 3.29 years and will be adjusted for subsequent changes in estimated forfeitures.

13. STOCK-BASED COMPENSATION.

The following table summarizes the stock-based compensation expenses included in our Statement of Operations and Comprehensive Loss for the years ended (in thousands):

	2014	2013
Research and development	$ 228	$ 30
Sales and marketing	147	7
General and administrative expenses	818	21
Stock-based compensation expense, net of tax	$ 1,193	$ 58

The Company estimates the fair value of time-based stock options, if any, granted using the Black-Scholes pricing model. The fair value is then amortized on a straight-line basis over the requisite service periods of the awards, which is generally the vesting period. Time-based and performance-based options, if any, typically have a ten-year life from date of grant and vesting periods of two to four years.

Valuation Assumptions

The fair value of stock-based awards to employees is calculated through the use of the Black-Scholes pricing model, even though such model was developed to estimate the fair value of freely tradable, fully transferable options without vesting restrictions, which differ significantly from the Company's stock option awards. This model also requires subjective assumptions, including future stock price volatility and expected time to exercise, which greatly affect the calculated values.

Expected Term

The expected term represents the period that the Company's stock-based awards are expected to be outstanding. For awards granted subject only to service vesting requirements, the Company utilizes the simplified method for estimating the expected term of the stock-based award, instead of historical exercise data.

Expected Volatility

The Company uses the historical volatility of the price of the common shares of selected public companies in the biotechnology sector.

Expected Dividend

The Company has never paid dividends on its common shares and currently does not intend to do so and, accordingly, the dividend yield percentage is zero for all periods.

BIOPHARMX CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. STOCK-BASED COMPENSATION. (Continued)

Risk-Free Interest Rate

The Company bases the risk-free interest rate used in the Black-Scholes-Merton valuation method upon the implied yield curve currently available on U.S. Treasury zero-coupon issues with a remaining term equal to the expected term used as the assumption in the model.

We used the following assumptions to calculate the estimated fair value of the awards for the years ended:

	2014	2013
Expected volatility	82.2%	82.1%
Expected term in years	6.0	5.51 - 6.08
Risk-free interest rate	1.74%	0.61% - 1.62%
Expected dividend yield	—%	—%

14. EMPLOYEE BENEFIT PLAN

The Company sponsors a 401(k) defined contribution plan for its employees. This plan provides for tax-deferred salary deductions for all employees. Employee contributions are voluntary. Employees may contribute up to 100% of their annual compensation to this plan, as limited by an annual maximum amount as determined by the Internal Revenue Service. The Company may match employee contributions in amounts to be determined at the Company's sole discretion. The Company has made no contributions to the plan for the years ended December 31, 2014 and 2013.

15. INCOME TAXES

No federal income taxes were provided in the years ended December 31, 2014 and 2013 due to the Company's net losses. State minimum income and franchise taxes are included in general and administrative expenses and were immaterial for the periods presented.

At December 31, 2014, the Company had available federal net operating loss ("NOL") carry-forwards of approximately $7.6 million which will begin to expire in 2031 and California state NOL carry-forwards of approximately $7.6 million which will begin to expire in 2021. At December 31, 2014 and 2013, the net deferred tax assets of approximately $3.2 million and $594,000, respectively, generated primarily by NOL carry-forwards, have been fully reserved due to the uncertainty surrounding the realization of such benefits. The net valuation allowance increased by approximately $2.6 million and $563,000 during the years ended December 31, 2014 and 2013, respectively.

Current tax laws impose substantial restrictions on the utilization of net operating loss and credit carry-forwards in the event of an "ownership change," as defined by the Internal Revenue Code. If there should be an ownership change, the Company's ability to utilize its carry-forwards could be limited.

As of December 31, 2014 and 2013, the Company did not have any material unrecognized tax benefits. The tax years from 2010 to 2014 remain open for examination by the federal and state authorities.

BIOPHARMX CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. SUBSEQUENT EVENTS

In March 2015, we amended certain warrants to reduce the exercise price of such warrants from $3.70 to $2.50 per share with a corresponding increase in the number of shares of common stock exercisable under the warrants so that the aggregate exercise value of such warrants remained the same. As of March 27, 2015, the holders had exercised such warrants for an aggregate of 397,996 shares of common stock for an aggregate cash exercise price of $994,990.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Annual Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized, in Menlo Park, State of California, on this 30th day of March, 2015.

BioPharmX Corporation

By: /s/ JAMES PEKARSKY

Name: James Pekarsky
Title: *Chief Executive Officer, Chief Financial Officer and Director (Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer)*

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints James Pekarsky and Anja Krammer or either of them his or her true and lawful attorney-in-fact and agents, each with the full power of substitution and re-substitution, for such person in such person's name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might do or could do in person, hereby ratifying and confirming all that each of said attorneys-in-fact and agents, or his substitute, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report on Form 10-K has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ JAMES PEKARSKY James Pekarsky	Chief Executive Officer, Chief Financial Officer and Chairman of the Board of Directors (Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer)	March 30, 2015
/s/ ANJA KRAMMER Anja Krammer	President and Director	March 30, 2015

Signature	Title	Date
/s/ PING WANG Ping Wang	Director	March 30, 2015
/s/ MICHAEL HUBBARD Michael Hubbard	Director	March 30, 2015
/s/ STEPHEN MORLOCK Stephen Morlock	Director	March 30, 2015

EXHIBIT INDEX

Exhibit Number	Description of Document	Incorporated by Reference				Filed Herewith
		Form	File No.	Filing Date	Exhibit	
2.1	Form of Share Exchange Agreement dated January 23, 2014 by and among Thompson Designs, Inc., BioPharmX, Inc. and BioPharmX, Inc. Stockholders	8-K	000-54871	1/27/2014	2.1	
3.1	Certificate of Incorporation	S-8	333-201708	1/26/2015	4.01	
3.2	Bylaws	S-8	333-201708	1/26/2015	4.02	
4.1	Specimen Stock Certificate	S-8	333-201708	1/26/2015	4.03	
4.2	Certificate of Designations, Preferences and Rights of Series A Preferred Stock					X
4.3	Certificate of Validation of Certificate of Designations, Preferences and Rights of Series A Preferred Stock filed with the Delaware Secretary of State on March 17, 2015					X
10.1	Form of Stock Purchase Agreement between Kade Thompson and BioPharmX, Inc.	8-K	000-54871	1/27/2014	10.1	
10.2*	Form of Employment Agreement between James Pekarsky and Thompson Designs, Inc.	8-K	000-54871	1/27/2014	10.2	
10.3*	Form of Employment Agreement between Anja Krammer and Thompson Designs, Inc.	8-K	000-54871	1/27/2014	10.3	
10.4*	Employment Agreement between Kin F. Chan, Ph.D. and the Company					X
10.5	Amended and Restated Collaboration and License Agreement dated March 1, 2013 between BioPharmX, Inc. and Iogen LLC	8-K	000-54871	1/27/2014	10.4	
10.6	Collaboration and Supply Agreement dated October 22, 2013 between BioPharmX, Inc. and Nutech Medical, Inc.	8-K	000-54871	1/27/2014	10.5	
10.7	Lease Agreement dated August 23, 2013 between Prologis, L.P. and BioPharmX, Inc.	8-K	000-54871	1/27/2014	10.6	
10.8*	2014 Equity Incentive Plan	8-K	000-54871	1/27/2014	10.7	
10.9*	Form of 2014 Equity Incentive Plan award agreement	S-8	333-201708	1/26/2015	4.05	
10.10	Form of Securities Purchase Agreement	8-K	000-54871	1/27/2014	10.8	
10.11	Form of Subscription Agreement	10-K	000-54871	3/31/14	10.11	
10.12	Investor Rights Agreement between the Company, Senior Management of the Company and the parties to Subscription Agreements	10-K	000-54871	3/31/14	10.12	

Exhibit Number	Description of Document	Incorporated by Reference				Filed Herewith
		Form	File No.	Filing Date	Exhibit	
10.13	Promissory Note, dated December 21, 2012 between Thompson Designs, Inc. and Kade Thompson	10-K	000-54871	12/31/12	10.1	
10.14	Voting Agreement, dated October 24, 2014, between KIP Overseas Platform Expansion Fund, James Pekarsky and Anja Krammer	8-K	000-54871	11/12/2014	10.3	
10.15	Subscription Agreement, dated October 24, 2014, between the Company and KIP Overseas Expansion Platform Fund					X
16.1	Letter of Silberstein Ungar, PLLC to the SEC dated January 23, 2014	8-K	000-54871	1/27/2014	16.1	
21.1	Subsidiaries of the Registrant					X
23.1	Consent of Burr Pilger Mayer, Inc., independent registered public accounting firm					X
24.1	Power of attorney. Reference is made to the signature page hereto.					X
31.1	Certification of Principal Executive Officer and Principal Financial Officer Required Under Rule 13a-14(a) and 15d-14(a) of the Securities Exchange Act of 1934, as amended					X
32.1	Certification of Chief Executive Officer and Chief Financial Officer Required Under Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, and 18 U.S.C. §1350					X
101.INS	XBRL Instance Document					X
101.SCH	XBRL Taxonomy Schema Linkbase Document					X
101.CAL	XBRL Taxonomy Calculation Linkbase Document					X
101.DEF	XBRL Taxonomy Definition Linkbase Document					X
101.LAB	XBRL Taxonomy Labels Linkbase Document					X
101.PRE	XBRL Taxonomy Presentation Linkbase Document					X

* Indicates a management contract, compensatory plan or arrangement

DESIGNATIONS, PREFERENCES AND RIGHTS
OF SERIES A PREFERRED STOCK
OF
BIOPHARMX CORPORATION

BIOPHARMX CORPORATION (the "Company"), a Delaware corporation, DOES HEREBY CERTIFY that, pursuant to the authority conferred on the Board of Directors of this Company by the Certificate of Incorporation, as amended, of this Company in accordance with Section 151 of the General Corporation Law of the State of Delaware (the "DGCL"), the Board of Directors of this Company adopted the following resolutions establishing a new series of preferred stock of this Company.

The Certificate of Incorporation of the Company provides that the Company is authorized to issue 10,000,000 shares of preferred stock with a par value of $.001 per share. Pursuant to the authority conferred upon the Board of Directors by the Certificate of Incorporation and the DGCL, the Board of Directors has adopted resolutions providing for the designation, rights, powers and preferences and the qualifications, limitations and restrictions of 4,207,987 shares of Series A Preferred Stock, and that a copy of such resolutions is as follows:

RESOLVED, that pursuant to the authority vested in the Board of Directors of the Company, the provisions of its Certificate of Incorporation, as amended, and in accordance with the General Corporation Law of the State of Delaware, the Board of Directors hereby establishes a series of the authorized preferred stock of the Company with par value of $.001 per share, which series shall be designated as "Series A Preferred Stock" and which will consist of 4,207,987 shares and will have powers, preferences, rights, qualifications, limitations and restrictions thereof, as follows:

1. Definitions. For the purposes hereof, the following definitions shall apply:

1.1 "Available Funds and Assets" has the meaning set forth in Section 4 hereof.

1.2 "Board" means the Board of Directors of the Company.

1.3 "Certificate" means this Certificate of Designations, Preferences and Rights of Series A Preferred Stock.

1.4 "Common Stock" means the Company's common stock, par value $0.001 per share, and stock of any other class into which such shares may hereafter have been reclassified or changed.

1.5 "Company" means BioPharmX Corporation, a Delaware corporation.

1.6 "Conversion Rate" has the meaning set forth in Section 5 hereof.

1.7 "Original Issue Date" means April 11, 2014.

1.8 "Original Purchase Price" shall mean $1.85 per share.

1.9 "Registered Holder" shall mean each holder of Series A Preferred as reflected on the books of the Company.

1.10 "Securities Act" means the Securities Act of 1933, as amended.

1.11 "Series A Preferred" means the Series A Preferred Stock of the Company.

1.12 "Subscription Agreement" means the subscription agreement between the Company and each holder of shares of Series A Preferred.

1.13 "Trading Day" means a day on which the Common Stock is traded on a Trading Market.

1.14 "Trading Market" means the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the New York Stock Exchange, the NYSE MKT, the Nasdaq Global Select Market, the Nasdaq Global Market, the Nasdaq Capital Market, the OTC Bulletin Board, or the NYSE Euronext.

1.15 "VWAP" shall mean the volume weighted average price of the Common Stock during any trading day as reported by or based on information provided by Bloomberg LP or other reputable reporting service reasonably acceptable to the Company.

1.16 "Warrant" shall mean a warrant to purchase 50% of the number of shares of Common Stock issuable upon the conversion of the Series A Preferred, substantially in the form of the common stock purchase warrant annexed to the Subscription Agreement as Exhibit B.

2. Interest. Each Registered Holder of outstanding shares of the Series A Preferred shall be entitled to interest payments at the rate of 6% of the Original Purchase Price per annum, compounded daily, calculated on the basis of a 360 day year and payable within five calendar days of January 1 each year. At any time that the Common Stock is traded on a Trading Market, interest hereunder may be payable, at the option of the Company, in shares of Common Stock ("Interest Shares") or in cash. Interest paid in Interest Shares shall be paid in a number of fully paid and non-assessable shares (rounded up to the nearest whole share) of Common Stock equal to the quotient of (i) the amount of interest payable divided by the average of VWAP for each day during the period commencing twenty (20) Trading Days prior to but not including the date when the dividend has been declared by the Board.

3. Dividends and Distributions. Each Registered Holder of the Series A Preferred shall not be entitled to dividends unless the Company pays cash dividends or dividends in other property to holders of outstanding shares of Common Stock, in which event, each outstanding share of the Series A Preferred will be entitled to receive dividends of cash or property, out of any assets legally available therefor, in an amount or value equal to the amount of dividends per share of Series A Preferred, as would have been payable on the number of shares of Common Stock into which each share of Series A Preferred would be

convertible, if such shares of Series A Preferred had been converted to Common Stock as of the record date for the determination of holders of Common Stock entitled to receive such dividends. Any dividend payable to the Series A Preferred will have the same record and payment date and terms as the dividend payable on the Common Stock.

4. Liquidation Rights. In the event of any Liquidation Event (as defined below), the funds and assets of the Company that may be legally distributed to the Company's stockholders (the "Available Funds and Assets") shall be distributed to the Company's stockholders in the following manner:

4.1 Series A Preferred. First, the holders of Series A Preferred shall be entitled to receive, prior and in preference to the holders of Common Stock, for each share of Series A Preferred an amount per share of Series A Preferred equal to the sum of (i) the Original Purchase Price, (ii) any accrued interest due under Section 2 above, and (iii) any declared and unpaid dividends, which shall be paid in cash (the "Series A Liquidation Preference"). If the Available Funds and Assets distributed to the holders of the Series A Preferred are insufficient to permit the payment to such holders of the full Series A Liquidation Preference, then the Available Funds and Assets shall be distributed to the holders of the Series A Preferred pro rata based upon the number of shares of Series A Preferred held by each holder.

4.2 Common Stock. Second, the Available Funds and Assets, if any, remaining after the payment or distribution (or the setting aside for payment or distribution) to the holders of the Series A Preferred of their full preferential amounts, in accordance with Section 4.1, shall be distributed among the holders of Common Stock on a per share basis.

4.3 Liquidation Event.

(a) Unless waived in any specific instance by the holders of at least fifty-one percent (51%) of the shares of Series A Preferred then-outstanding, voting or acting as a single class on an as-converted to Common Stock basis (the "Majority Holders"), a "Liquidation Event" shall mean any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, and shall be deemed to be occasioned by, or to include, (x) the acquisition of the Company by another entity by means of any transaction or series of related transactions (including, without limitation, any stock acquisition, reorganization, merger, conversion or consolidation) unless the Company's stockholders of record as constituted immediately prior to such acquisition or sale will, immediately after such acquisition or sale (by virtue of securities issued as consideration for the Company's acquisition or sale or otherwise) hold at least a majority of the voting power of the surviving or acquiring entity, or its direct or indirect parent entity (except that the sale by the Company of shares of its capital stock to investors in bona fide equity financing transactions, or in connection with a Qualifying Listing (as defined under the Subscription Agreement), shall not be deemed a Liquidation Event for this purpose) or (y) a sale or other disposition or transfer of all or substantially all of the assets of the Company in any transaction or series of related transactions, including a sale or other disposition or transfer of all or substantially all of the assets of the Company's subsidiaries, if such assets constitute substantially all of the assets of the Company and such subsidiaries taken as a whole.

(b) In any of such events, if the consideration received by or with respect to the Company is other than cash or securities, its value will be deemed its fair market value as determined in good faith by a majority of the Board of Directors. Any securities to be delivered to the holders of the Series A Preferred or Common Stock, as the case may be, shall be valued as follows:

(i) If traded on a national securities exchange, the value shall be deemed to be the average of the closing prices of the securities on such exchange over the ten (10) day period ending three (3) days prior to the closing;

(ii) If actively traded over-the-counter, the value shall be deemed to be the average of the closing bid or sale prices (whichever is applicable) over the ten (10) day period ending three (3) days prior to the closing; and

(iii) If there is no active public market, the value shall be the fair market value thereof, as determined in good faith by a majority of the Board of Directors of the Company.

5. Voting Rights.

5.1 Common Stock. Except as otherwise provided herein or by applicable law, the holders of shares of Common Stock shall at all times vote together as one class on all matters (including the election of directors) submitted to a vote or for the consent of the stockholders of the Company. Each holder of shares of Common Stock shall be entitled to one (1) vote for each whole share of Common Stock held as of the applicable date on any matter that is submitted to a vote or for the consent of the stockholders of the Company.

5.2 Series A Preferred. Each holder of shares of Series A Preferred shall be entitled to one (1) vote for each whole share of Common Stock into which such shares of Series A Preferred could be converted pursuant to the provisions of Section 5.1 on the record date for the determination of stockholders entitled to vote on such matters or, if no such record date is established, on the date such vote is taken or any written consent of the stockholders is solicited.

5.3 General. Subject to the other provisions of this Certificate, each holder of Series A Preferred shall have full voting rights and powers equal to the voting rights and powers of the holders of Common Stock, and shall be entitled to notice of any stockholders' meeting in accordance with the Bylaws of the Company (as in effect at the time in question) and applicable law, and shall be entitled to vote, together with the holders of Common Stock, with respect to any question upon which holders of Common Stock have the right to vote, except as may be otherwise provided by applicable law. Except as otherwise provided in this Certificate and applicable law, the holders of Series A Preferred and the holders of Common Stock shall vote together and not as separate classes.

6. Conversion.

6.1 Mandatory Conversion.

(a) Requirements. The outstanding shares of Series A Preferred shall be converted automatically into fully-paid and non-assessable shares of Common Stock at the rate of one share of Common Stock for one share of Series A Preferred (the "Conversion Rate") upon the Company achieving a Qualifying Listing (as defined in the Subscription Agreement) (the "Mandatory Conversion") which occurs on or before the third anniversary of the Original Issue Date.

(b) Procedures. Upon the occurrence of the event specified in Section 6.1(a) above, the outstanding shares of Series A Preferred shall be converted into Common Stock automatically without the need for any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Company or its transfer agent; provided, however, that the Company shall not be obligated to issue certificates evidencing the shares of Common Stock unless the certificates evidencing the shares of Series A Preferred are delivered to the Company as provided below, or the holder notifies the Company that the certificates have been lost, stolen or destroyed, and executes an agreement reasonably satisfactory to the Company to indemnify the Company from any loss incurred by it in connection with the certificates. Upon the occurrence of the Mandatory Conversion, the holders of Series A Preferred shall surrender the certificates representing the shares at the office of the Company. Thereupon, there shall be issued and delivered to the holder promptly at the office and in its name as shown on the surrendered certificates, a certificate for the number of shares of Common Stock into which the shares of Series A Preferred surrendered were convertible on the date on which the Mandatory Conversion occurred.

6.2 Optional Conversion.

(a) Requirements. At the option of the Registered Holder thereof, the outstanding shares of Series A Preferred shall be convertible into shares of Common Stock at the Conversion Rate.

(b) Procedures. Each Registered Holder of shares who elects to convert such shares pursuant to Section 6.2(a) above shall surrender its certificate(s) for such shares, duly endorsed, at the office of the Company, and shall give written notice to the Company at that office that the holder elects to convert the same and shall state therein the number of shares of Series A Preferred being converted (a "Notice of Conversion"). Upon receipt of a Notice of Conversion, the Company shall promptly issue and deliver at that office to the Registered Holder a certificate(s) for the number of shares of Common Stock which the Registered Holder is entitled to receive upon the conversion and the Warrant. The conversion shall be deemed to have been made immediately prior to the close of business on the date of the surrender of the certificate(s) representing the shares of Series A Preferred to be converted, and the Registered Holder entitled to receive the shares of Common Stock issuable upon the conversion shall be treated for all purposes as the record holder of the shares of Common Stock on that date.

6.3 Restrictive Legend. Certificates evidencing shares of Common Stock and the Warrant issued upon the Mandatory Conversion shall be issued with a restrictive legend indicating that such securities were issued in a transaction which is exempt from registration under the Securities Act, and that they cannot be transferred unless (i) they have been registered under the Securities Act, (ii) an exemption from registration is available in the opinion of counsel to the Company or (iii) there is submitted to the Company such other evidence as may be satisfactory to the Company to the effect that any such transfer shall be in compliance with the Securities Act and applicable state securities law.

6.4 New Stock Certificate. In the event less than all the shares represented by a certificate are converted, the Company shall promptly issue to the holder thereof a new certificate representing the unconverted shares.

7. Adjustments.

7.1 Adjustments for Subdivisions. Combinations or Consolidations of Common Stock. If at any time or from time to time the outstanding shares of Common Stock shall be (i) subdivided by stock split, stock dividend or otherwise into a greater number of shares, or (ii) combined or consolidated, by reclassification or otherwise, into a lesser number of shares, then the Conversion Rate shall simultaneously be proportionately increased or decreased, as the case may be, such that the holders of the Series A Preferred shall thereafter receive upon conversion thereof, the number of shares of Common Stock, they would have received had their Series A Preferred been converted into such shares immediately prior to the taking of the actions described in subsections (i) and (ii) of this Section 7.1.

7.2 Adjustments for Stock Dividends and Other Distributions. If at any time or from time to time after the Original Issue Date the Company pays a dividend or makes another distribution to the holders of the Common Stock payable in securities of the Company other than shares of Common Stock, and other than as otherwise adjusted in this Section 7 or as provided in Section 2, then, in each such event, provision shall be made so that the holders of the Series A Preferred shall receive upon conversion thereof, in addition to the number of shares of Common Stock receivable upon conversion thereof, the amount of securities of the Company that they would have received had their Series A Preferred been converted into Common Stock on the date for determining the holders of Common Stock entitled to receive the dividend or distribution.

7.3 Adjustment for Merger, Sale, Reclassification, Exchange and Substitution.

(a) In case the Company after the Original Issue Date shall do any of the following (each, a "Triggering Event"): (a) consolidate or merge with or into any other Person and the Company shall not be the continuing or surviving corporation of such consolidation or merger, or (b) permit any other Person to consolidate with or merge into the Company and the Company shall be the continuing or surviving Person but, in connection with such consolidation or merger, any capital stock of the Company shall be changed into or exchanged for securities of any other Person or cash or any other property, or (c) transfer all or substantially all of its properties or assets to any other Person, or (d) effect a capital reorganization or reclassification of its capital stock, then, and in the case of each such Triggering Event, proper provision shall be made to the Conversion Rate and the number of shares of Common Stock into which the Series A Preferred is convertible so that, upon the basis and the terms and in the manner provided in this Certificate, the holder of Series A Preferred shall be entitled upon the conversion hereof at any time after the consummation of such Triggering Event, to the extent the Series A Preferred has not been converted or redeemed prior to such Triggering Event, to receive at the Conversion Rate in effect at the time immediately prior to the consummation of such Triggering Event, in lieu of the Common Stock issuable upon such conversion prior to such Triggering Event, the securities, cash and property to which such holder would have been entitled upon the consummation of such Triggering Event if such holder had converted immediately prior thereto (including the right of a shareholder to elect the type of consideration it will receive upon a Triggering Event), subject to adjustments (subsequent to such corporate action) as nearly equivalent as possible to the adjustments provided for elsewhere in this Section 7. Immediately upon the occurrence of a Triggering Event, the Company shall notify the holder in writing of such Triggering Event and provide the calculations in determining the number of shares of Common Stock issuable upon conversion and the adjusted Conversion Rate.

(b) The surviving entity and/or each Person (other than the Company) which may be required to deliver any securities, cash or property upon the conversion of the Series A Preferred as provided herein shall assume, by written instrument delivered to, and reasonably satisfactory to, the holder of Series A Preferred, (A) the obligations of the Company under the Series A Preferred (and if the Company shall survive the consummation of such Triggering

Event, such assumption shall be in addition to, and shall not release the Company from, any continuing obligations of the Company under the Series A Preferred) and (B) the obligation to deliver to such holder such securities, cash or property as, in accordance with the foregoing provisions of this subsection (b).

(c) Except as provided in Section 4, upon any liquidation, dissolution or winding up of the Company, if at any time or from time to time after the Original Issue Date, the Common Stock issuable upon the conversion of the Series A Preferred is changed into the same or a different number of shares of any class of stock, whether by recapitalization, reclassification or otherwise (other than a subdivision or combination of shares provided for above), then, in any such event, each holder of Series A Preferred shall have the right thereafter to have the Series A Preferred converted into the kind and amount of stock and other securities and property receivable upon the recapitalization, reclassification or other change by a holder of the number of shares of Common Stock into which the shares of Series A Preferred could have been converted immediately prior to the recapitalization, reclassification or change.

7.4 Issuances. If, at any time within two (2) years following the Original Issue Date, the Company shall issue any Common Stock, except for the Excepted Issuances (as hereinafter defined), for a consideration per share that is less (a "Dilutive Issuance") than the Original Issue Price (as adjusted pursuant to the provisions of this Section 7) that would be in effect at the time of such issue, then, and thereafter successively upon each such issuance, Conversion Rate shall be reduced by multiplying the Conversion Rate by a fraction, the numerator of which is the price of the Dilutive Issuance and the denominator of which is the Original Issue Price (as adjusted pursuant to the provisions of Section 7). For purposes of this adjustment and except for the Excepted Issuances, the issuance of any security or debt instrument of the Company which has the right to convert such security or debt instrument into Common Stock or of any warrant, right or option to purchase Common Stock, shall result in an adjustment to the Conversion Rate upon the issuance of the above-described security, debt instrument, warrant, right, or option and again upon the issuance of shares of Common Stock upon exercise of such conversion or purchase rights if such issuance is at a price lower than the then Original Issue Price. For purposes of this Certificate of Designations, "Excepted Issuance" shall mean any sale by the Company of its Common Stock or equity linked debt obligations in connection with (i) full or partial consideration in connection with a strategic merger, acquisition, consolidation or purchase of the securities or assets of a corporation or other entity (or any division or business unit thereof) so long as such issuances are not for the purpose of raising capital, (ii) the Company's issuance of securities in connection with strategic supply, sale or license agreements and other partnering arrangements so long as such issuances are not for the purpose of raising capital, (iii) the Company's issuance of Common Stock or the issuances or grants of options to purchase Common Stock to employees, directors, and consultants which are approved by the Board of Directors, and (iv) securities issued and outstanding as of the Original Issue Date.

7.5 Certificate of Adjustment. In each case of an adjustment or readjustment of the Conversion Rate for Series A Preferred, the Company, at its expense, shall compute the adjustment or readjustment in accordance with the provisions hereof and prepare a certificate showing the adjustment or readjustment, and shall mail the certificate, by first class mail, postage prepaid, to each affected registered holder of the Series A Preferred at the holder's address as shown on the Company's books.

8. Redemption.

8.1 Triggering Event. A "Triggering Event" shall be deemed to have occurred in the event that the Company shall fail to achieve a Qualifying Listing on or before the third anniversary date of the Original Issue Date.

8.2 Redemption Option Upon Triggering Event. In addition to all other rights of the Registered Holders contained herein, after a Triggering Event, each Registered Holder shall have the right to require the Company to redeem all or a portion of the then outstanding Series A Preferred at a price per share equal to the Series A Liquidation Preference (the "Redemption Price").

8.3 Mechanics of Redemption Option. Within five (5) business days after the occurrence of the Triggering Event, the Company shall deliver written notice thereof via overnight courier ("Notice of Triggering Event") to each Registered Holder. At any time after a Registered Holder's receipt of a Notice of Triggering Event, any Registered Holder of Series A Preferred then outstanding may require the Company to redeem up to all of such holder's Series A Preferred by delivering written notice thereof via overnight courier ("Notice of Redemption at Option of Holder") to the Company, which Notice of Redemption at Option of Holder shall indicate the number of shares of Series A that such holder is electing to redeem.

8.4 Payment of Redemption Price. Upon the Company's receipt of a Notice(s) of Redemption at Option of Holder from any Registered Holder, the Company shall immediately notify each Registered Holder by facsimile or e-mail of the Company's receipt of such notice(s). The Company shall deliver on the fifth (5th) Business Day after the Company's receipt of the first Notice of Redemption at Option of Holder the applicable Redemption Price to all Registered Holders that deliver a Notice of Redemption at Option of Holder prior to the fifth (5th) Business Day after the Company's receipt of the first Notice of Redemption at Option of Holder. If the Company is unable to redeem all of the Series A Preferred submitted for redemption, the Company shall (i) redeem a pro rata amount from each Registered Holder based on the number of shares of Series A Preferred submitted for redemption by such Registered Holder relative to the total number of shares of Series A Preferred submitted for redemption by all Registered Holders and (ii) continue to redeem shares of Series A Preferred until paid in full.

9. Fractional Shares. No fractional shares shall be issued upon the conversion of any share or shares of the Series A Preferred, and the number of shares of Common Stock, as applicable to be issued shall be rounded up to the nearest whole share.

10. Status of Converted Stock. Upon the conversion, redemption or extinguishment of the Series A Preferred, the shares converted, redeemed or extinguished will be automatically returned to the status of authorized and unissued shares of preferred stock, available for future designation and issuance pursuant to the terms of the Articles of Incorporation. Following conversion of all outstanding shares of Series A Preferred on the Mandatory Conversion, this Certificate of Designations shall be automatically cancelled and void and be of no further force and effect.

11. Reservation of Common Stock Issuable Upon Conversion. The Company shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock solely for the purpose of effecting the conversion of the shares of Series A Preferred, such number of shares as shall from time to time be sufficient to effect the conversion of all outstanding shares of Series A Preferred.

12. Notices. Except as otherwise stated, any notice required by the provisions of this Certificate to be given to the holders of shares of the Series A Preferred shall be deemed given upon the earlier of actual receipt thereof or deposit thereof in the United States mail, by certified or registered mail, return receipt requested, postage prepaid, addressed to each holder of record at the address of that holder appearing on the books of the Company.

13. Restrictions and Limitations. In addition to any vote required by law, the Company shall not, without the approval, by vote or written consent, of the Majority Holders voting together as a single class:

(a) Amend this Certificate or otherwise alter or change the rights, preferences or privileges of the Series A Preferred so as to materially and adversely affect the same;

(b) Increase or decrease (other than by redemption or conversion) the authorized number of shares of Series A Preferred.

RESOLVED, FURTHER, that the officers of this Company be, and each of them hereby is, authorized and empowered on behalf of the Company to execute, verify and file this Certificate in accordance with Delaware law.

IN WITNESS WHEREOF, the Company has caused this Certificate to be signed by its duly authorized officer on the 17th day of March.

BIOPHARMX CORPORATION

BY: /s/ James Pekarsky

James Pekarsky
Chief Executive Officer

Exhibit 4.3

CERTIFICATE OF VALIDATION
OF
CERTIFICATE OF DESIGNATIONS, PREFERENCES AND RIGHTS OF SERIES A PREFERRED STOCK
OF
BIOPHARMX CORPORATION

Pursuant to Section 204 of the
General Corporation Law of the State of Delaware

BioPharmX Corporation, a corporation organized and existing under the laws of the State of Delaware (the "***Corporation***"), certifies as follows:

1. On January 22, 2015, the board of directors of the Corporation adopted the resolutions attached hereto (without the exhibits thereto) as **EXHIBIT A**. On February 2, 2015, the stockholders of the Corporation, acting by written consent in lieu of a meeting in accordance with Section 228 of the General Corporation Law of the State of Delaware, adopted the resolutions attached hereto (without the exhibits thereto) as **EXHIBIT B**. The foregoing resolutions of the board of directors and of the stockholders were duly adopted by the board of directors and by the stockholders, respectively, in accordance with the provisions of Section 204 of the General Corporation Law of the State of Delaware (the "***DGCL***"), and, in the case of stockholders, in accordance with Section 228 of the DGCL

2. The defective corporate act ratified pursuant to Section 204 of the DGCL and set forth in the resolutions attached hereto would have required the filing of Certificate of Designations, Preferences and Rights of Series A Preferred Stock of the Corporation (the "***Designation***") in accordance with Section 103 of the DGCL on April 25, 2014. Attached hereto as **EXHIBIT C** is the Designation as should have been filed with the Secretary of State of the State of Delaware on April 25, 2014, and, upon the filing of this Certificate of Validation, such Designation will be validated as of 12:01 a.m. on April 25, 2014.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Validation to be executed by its duly authorized officer as of this 17th day of March, 2015.

BIOPHARMX CORPORATION

By: /s/ James Pekarsky
James Pekarsky
Chief Executive Officer,
Chief Financial Officer and Chairman of the Board of Directors

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Exhibit 10.4

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT is made and entered into as of the 17th day of February, 2014 (the "Agreement"), by and between THOMPSON DESIGNS, INC., a Nevada corporation (the "Company"), and **Kin Chan** (the "Executive"), (collectively the "Parties").

WITNESSETH:

WHEREAS, Executive has represented that she has the experience, background and expertise necessary to enable him to be the Company's **Executive Vice President of R&D**; and

WHEREAS, based on such representation, and the Company's reasonable due diligence, the Company wishes to employ Executive as its **Executive Vice President of R&D** and Executive wishes to be so employed, in each case, upon the terms hereinafter set forth.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants and agreements herein contained, and other good and valuable consideration, the Parties agree as follows:

1. DEFINITIONS. As used herein, the following terms shall have the following meanings:

1.1 "Affiliate" means any Person controlling, controlled by or under common control with the Company.

1.2 "Board" means the Board of Directors of the Company.

1.3 "Change of Control" means the occurrence of any of the following:

1.3.1 An acquisition of any common stock or other voting securities of the Company entitled to vote generally for the election of directors (the "Voting Securities") by any "Person" or "Group" (as such term is used for purposes of Section 13(d) or 14(d) of the Exchange Act), immediately after which such Person or Group, as the case may be, has "Beneficial Ownership" (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of more than 50% of the then outstanding shares of common stock or the combined voting power of the Company's then outstanding Voting Securities; provided, however, that in determining whether a Change of Control has occurred, shares of common stock or Voting Securities that are acquired in a Non-Control Acquisition (as defined below) shall not constitute an acquisition which would cause a Change of Control. "Non-Control Acquisition" shall mean an acquisition by (i) the Company, (ii) any subsidiary of the Company ("Subsidiary") or (iii) any employee benefit plan maintained by the Company or any Subsidiary, including a trust forming part of any such plan (an "Employee Benefit Plan");

1.3.2 The consummation of:

1.3.2.1 a merger, consolidation or reorganization involving the Company or any Subsidiary, unless the merger, consolidation or reorganization is a Non-Control Transaction. "Non-Control Transaction" shall mean a merger, consolidation or reorganization of the Company or any Subsidiary where:

1.3.2.1.1 the shareholders of the Company immediately prior to the merger, consolidation or reorganization own, directly or indirectly, immediately following such merger, consolidation or reorganization, at least 50% of the combined voting power of the outstanding voting securities of the corporation resulting from such merger, consolidation or reorganization (the "Surviving Corporation") in substantially the same proportion as their ownership of the common stock or Voting Securities, as the case may be, immediately prior to the merger, consolidation or reorganization,

1.3.2.1.2 the individuals who were members of the Incumbent Board of directors immediately prior to the execution of the agreement providing for the merger, consolidation or reorganization constitute at least two-thirds of the members of the board of directors of the Surviving Corporation, or a corporation beneficially owning, directly or indirectly, a majority of the voting securities of the Surviving Corporation, and

1.3.2.1.3 no Person or Group, other than (1) the Company, (2) any Subsidiary, (3) any Employee Benefit Plan or (4) any other Person or Group who, immediately prior to the merger, consolidation or reorganization, had Beneficial Ownership of not less than 20% of the then outstanding Voting Securities or common stock, has Beneficial Ownership of 20% or more of the combined voting power of the Surviving Corporation's then outstanding voting securities or common stock;

1.3.2.2 a complete liquidation or dissolution of the Company; or

1.3.2.3 the sale or other disposition of all or substantially all of the assets of the Company to any Person (other than a transfer to a Subsidiary).

Notwithstanding the foregoing, a Change of Control shall not be deemed to have occurred solely because any Person or Group (the "Subject Person") acquired Beneficial Ownership of more than the permitted amount of the then outstanding Voting Securities or common stock of the Company as a result of an acquisition of Voting Securities or common stock by the Company which, by reducing the number of shares of Voting Securities or common stock then outstanding, increases the proportional number of shares beneficially owned by the Subject Person; provided, however, that if a Change of Control would have occurred (but for the operation of this sentence) as a result of the acquisition of Voting Securities or common stock by the Company, and after such acquisition by the Company, the Subject Person becomes the beneficial owner of any additional shares of Voting Securities or common stock, which increases the percentage of the then outstanding shares of Voting Securities or common stock beneficially owned by the Subject Person, then a Change of Control shall be deemed to have occurred.

1.4 "Code" means the Internal Revenue Code of 1986, as amended.

1.5 "Common Stock" means the Company's common stock, par value $.001 per share.

1.6 "Cause" means (i) conviction of any crime whether or not committed in the course of his employment by the Company; (ii) Executive's refusal to carry out resolutions of the Board which are consistent with Executive's role as Chief Executive Officer; or (iii) the breach of any representation, warranty or agreement between Executive and Company.

1.7 "Date of Termination" means (a) in the case of a termination for which a Notice of Termination (as hereinafter defined in Section 5.3) is required, 15 days from the date of actual receipt of such Notice of Termination or, if later, the date specified therein, as the case may be, and (b) in all other cases, the actual date on which the Executive's employment terminates during the Term of Employment (as hereinafter defined in Section 3) (it being understood that nothing contained in this definition of "Date of Termination" shall affect any of the cure rights provided to the Executive or the Company in this Agreement).

1.8 "Disability" means Executive's inability to render, for a period of three consecutive months, services hereunder due to his physical or mental incapacity.

1.9 "Effective Date" means the date hereof.

1.10 "Good Reason" means a reduction by the Company in Executive's base compensation (base salary and target bonus) as in effect immediately prior to such reduction.

1.11 "Person(s)" means any individual or entity of any kind or nature, including any other person as defined in Section 3(a)(9) of the Securities Exchange Act of 1934, and as used in Sections 13(d) and 14(d) thereof.

1.12 "Prospective Customer" shall mean any Person which has either (a) entered into a nondisclosure agreement with the Company or any Company subsidiary or Affiliate or (b) has within the preceding 12 months received a currently pending and not rejected written proposal in reasonable detail from the Company or any of the Company's subsidiary or Affiliate.

1.13 "Separation from Service" or "Separates from Service" means a termination of employment with the Company that the Company determines is a Separation from Service in accordance with Section 409A of the Code.

1.14 "Severance Payment" means the payment of severance compensation as provided in Section 7 of this Agreement.

2. EMPLOYMENT.

2.1 Agreement to Employ. Effective as of the Effective Date, the Company hereby agrees to employ Executive, and Executive hereby agrees to serve, subject to the provisions of this Agreement, as an officer and executive of the Company.

2.2 Duties and Schedule. Executive shall serve as the Company's **Executive Vice President of R&D** and shall have such responsibilities as designated by the Chief Executive Officer of the Company that are not inconsistent with applicable laws, regulations and rules. Executive shall report directly to the President and Chief Executive Officer of the Company.

3. TERM OF EMPLOYMENT. Unless Executive's employment shall sooner terminate pursuant to Section 5, the Company shall employ Executive for a term commencing on the Effective Date and ending on the fourth anniversary thereof (the "Term"). The Term shall automatically renew for an additional year unless either Party provides notice to the other that the Term shall not continue within 30 days prior to the end of the prior Term. The period during which Executive is employed pursuant to this Agreement shall be referred to as the "Term" or the "Term of Employment."

4. COMPENSATION.

4.1 Salary and Bonus. Executive's salary during the Term shall be a gross amount of US$225,000 per annum or such other higher rate as the Board of Directors may determine from time to time (the "Salary"), payable monthly in arrears from the Effective Date. Subject to Section 8.5, the Executive shall be responsible for paying all applicable taxes on his Salary. The Executive shall be entitled to an annual bonus if performance targets are met at the discretion of the Board of the Directors.

4.2 Vacation. Executive shall be entitled to twenty (20) days of paid vacation per year taken at such times so as to not materially impede his duties hereunder. Vacation days that are not taken in the current year may be carried over into future years. Sick leaves shall be consistent with the Company's standard policies and applicable U.S. law. Executive should be entitled to standard U.S. government holidays in addition to vacation or sick leaves.

4.3 Business Expenses. Executive shall be reimbursed by the Company for all ordinary and necessary expenses incurred by Executive in the performance of his duties hereunder on behalf of the Company subject to the approval by the Board of Directors.

5. TERMINATION.

5.1 Termination Due to Death or Disability.

5.1.1 Death. This Agreement shall terminate immediately upon the death of Executive. Upon Executive's death, Executive's estate or Executive's legal representative, as the case may be, shall be entitled to Executive's accrued and unpaid Salary and vacation as of the date of Executive's death, plus all other compensation and benefits that were vested through the date of Executive's death.

5.1.2 Disability. In the event of Executive's Disability, this Agreement shall terminate and Executive shall be entitled to (a) accrued and unpaid vacation through the first date that a Disability is determined; and (b) all other compensation and benefits that were vested through the first date that a Disability has been determined.

5.2 Termination. Both the Company and the Executive may terminate the employment hereunder by delivery of written notice to the other party at least fifteen (15) days prior to termination date or with a shorter notice period if agreed upon by the Parties provided, however, that in the event of a breach of this Agreement by the Executive or an event which would constitute "Cause," the Company may immediately terminate this Agreement upon written notice with no waiting period. Upon the effective date of termination under this Section 5.2, Executive shall be entitled to all compensation that was vested through such effective date.

5.3 Notice of Termination. Any termination of the Executive's employment by the Company or the Executive shall be communicated by a notice in accordance with Section 8.4 of this Agreement (the "Notice of Termination").

5.4 Payment. Except as otherwise provided in this Agreement, any payments to which the Executive shall be entitled under this Section 5, including, without limitation, any economic equivalent of any benefit, shall be made as promptly as possible following the Date of Termination, but in no event more than 30 days after the Date of Termination. If the amount of any payment due to the Executive cannot be finally determined within 30 days after the Date of Termination, such amount shall be reasonably estimated on a good faith basis by the Company and the estimated amount shall be paid no later than thirty (30) days after such Date of Termination. As soon as practicable thereafter, the final determination of the amount due shall be made and any adjustment requiring a payment to Executive shall be made as promptly as practicable. The payment of any amounts under this Section 5 shall not affect Executive's rights to receive any workers' compensation benefits.

6. EXECUTIVE'S REPRESENTATIONS. Executive hereby represents and warrants to the Company that (i) the execution, delivery and performance of this Agreement by Executive do not and shall not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which Executive is a party or by which he is bound, and (ii) upon the execution and delivery of this Agreement by the Company, this Agreement shall be the valid and binding obligation of Executive, enforceable in accordance with its terms. Executive hereby acknowledges and represents that he has consulted with independent legal counsel regarding his rights and obligations under this Agreement and that he fully understands the terms and conditions contained herein.

7. COMPENSATION UPON SEPARATION FROM SERVICE FOLLOWING A CHANGE OF CONTROL. If Executive Separates from Service on account of (i) an involuntary termination or (ii) a voluntary termination for Good Reason, within twelve (12) months after a Change in Control, then subject to (x) Executive's signing and not revoking a separation agreement and release of claims in a form reasonably satisfactory to the Company.

7.1 Executive will be entitled to a Severance Payment in an amount computed as follows:

7.1.1 A lump sum payment, paid in accordance with subsection 7.3 below, equal to two (2) times the Executive's Annual Compensation; plus

7.1.2 The same Company-paid health and group-term life insurance benefits as were provided to Executive and his family under plans of the Company as of the Change of Control for a total of eighteen (18) months, provided that all payments be made prior to December 31 of the second year following the year in which Executive Separates from Service. Notwithstanding the foregoing, the Company may, at its option, satisfy any requirement that the Company provide coverage under any plan by instead providing coverage under a separate plan or plans providing coverage that is no less favorable.

7.2 The Company agrees that, in addition to the payments provided under Section 7.1, all outstanding unvested stock options, restricted stock, performance shares and stock appreciation rights previously granted to Executive under any Company equity or long-term incentive plan or program (a "Company Incentive Plan") (including any stock options, restricted stock, performance shares and stock appreciation rights assumed by the Company in connection with its acquisition of another entity) or otherwise shall immediately be 100% vested upon such Separation from Service. Notwithstanding anything to the contrary contained therein, Executive shall be entitled to exercise any stock options or stock appreciation rights until the expiration of three months following his Separation from Service (or until such later date as may be applicable under the terms of the award agreement governing the stock option or stock appreciation right upon termination of employment), subject to the maximum full term of the stock option or stock appreciation right. In addition, the Company agrees that all restricted stock units, performance-based restricted stock units, and long-term incentive cash programs ("Long-Term Incentives") previously granted to Executive under any Company Incentive Plan shall immediately be 100% vested upon such Separation from Service. However, the issuance or payment of such restricted stock units, performance-based restricted stock units or long-term incentives shall be governed by Executive's applicable grant or award agreement. Notwithstanding the immediately preceding sentence, in no event will the 100% vesting apply to restricted stock units, performance-based restricted stock units or long-term incentives if the 100% vesting would cause adverse tax consequences under Code Sec. 409A.

7.3 All payments made to Executive under subsection 7.1 shall be made as soon as administratively practicable following the six-month anniversary of the date of his Separation from Service, provided that no Severance Payment shall be made to Executive if the separation agreement and release of claims referenced above have not become effective as of the six-month anniversary of the date of your Separation from Service. Notwithstanding anything contained in subsections 7.1 and 7.2 above, the Company shall have no obligation to make any payment or offer any benefits to Executive under this Section 7 if Executive Separates from Service prior to a Change in Control or if he Separates from Service within twelve (12) months after a Change in Control for Cause, death, Disability, retirement or voluntary resignation other than for Good Reason or if he Separates from Service for any reason after twelve (12) months following a Change in Control.

8. NON-COMPETITION: NON-DISCLOSURE; INVENTIONS.

8.1 Trade Secrets. Executive acknowledges that his employment position with the Company is one of trust and confidence. Executive further understands and acknowledges that, during the course of Executive's employment with the Company, Executive will be entrusted with access to certain

confidential information, specialized knowledge and trade secrets which belong to the Company, or its subsidiaries, including, but not limited to, their methods of operation and developing customer base, its manner of cultivating customer relations, its practices and preferences, current and future market strategies, formulas, patterns, patents, devices, secret inventions, processes, compilations of information, records, and customer lists, all of which are regularly used in the operation of their business and which Executive acknowledges

have been acquired, learned and developed by them only through the expenditure of substantial sums of money, time and effort, which are not readily ascertainable, and which are discoverable only with substantial effort, and which thus are the confidential and the exclusive property of the Company and its subsidiaries (hereinafter "Trade Secrets"). Executive covenants and agrees to use his best efforts and utmost diligence to protect those Trade Secrets from disclosure to third parties. Executive further acknowledges that, absent the protections afforded the Company and its subsidiaries in Section 7, Executive would not be entrusted with any of such Trade Secrets. Accordingly, Executive agrees and covenants (which agreement and covenant shall survive the termination of this Agreement regardless of the reason) as follows:

8.1.1 Executive will at no time take any action or make any statement that will disparage or discredit the Company, any of its subsidiaries or their products or services;

8.1.2 During the period of Executive's employment with the Company and for 60 months immediately following the termination of such employment, Executive will not disclose or reveal to any person, firm or corporation other than in connection with the business of the Company and its subsidiaries or as may be required by law, any Trade Secret used or useable by the Company or any of its subsidiaries, divisions or Affiliates (collectively, the "Companies") in connection with their respective businesses, known to Executive as a result of his employment by the Company, or other relationship with the Companies, and which is not otherwise publicly available. Executive further agrees that during the term of this Agreement and at all times thereafter, he will keep confidential and not disclose or reveal to any person, firm or corporation other than in connection with the business of the Companies or as may be required by applicable law, any information received by him during the course of his employment with regard to the financial, business, or other affairs of the Companies, their respective officers, directors, customers or suppliers which is not publicly available;

8.1.3 Upon the termination of Executive's employment with the Company, Executive will return to the Company all documents, customer lists, customer information, product samples, presentation materials, drawing specifications, equipment and other materials relating to the business of any of the Companies, which Executive hereby acknowledges are the sole and exclusive property of the Companies or any one of them. Nothing in this Agreement shall prohibit Executive from retaining, at all times any document relating to his personal entitlements and obligations, his Rolodex, his personal correspondence files; and any additional personal property;

8.1.4 During the term of the Agreement and, for a period of three (3) months immediately following the termination of the Executive's employment with the Company, Executive will not: compete, or participate as a shareholder, director, officer, partner (limited or general), trustee, holder of a beneficial interest, employee, agent of or representative in any business competing directly with the Companies without the prior written consent of the Company, which may be withheld in the Company's sole discretion; provided, however, that nothing contained herein shall be construed to limit or prevent the purchase or beneficial ownership by Executive of less than five percent of any publicly traded security;

8.1.5 During the term of the Agreement and, for a period of eighteen (18) months immediately following the termination of the Executive's employment with the Company, Executive will not:

8.1.5.1 solicit or accept competing business from any customer of any of the Companies or any person or entity known by Executive to be or have been, during the preceding eighteen (18) months, a customer or Prospective Customer of any of the Companies without the prior written consent of the Company;

8.1.5.2 encourage, request or advise any such customer or Prospective Customer of any of the Companies to withdraw or cancel any of their business from or with any of the Companies; or

8.1.6 Executive will not during the period of his employment with the Company and, subject to the provisions hereof for a period of eighteen (18) months immediately following the termination of Executive's employment with the Company,

8.1.6.1 conspire with any person employed by any of the Companies with respect to any of the matters covered by this Section 7;

8.1.6.2 encourage, induce or solicit any person employed by any of the Companies to facilitate Executive's violation of the covenants contained in this Section 7;

8.1.6.3 assist any entity to solicit the employment of any Executive of any of the Companies; or

8.1.6.4 employ or hire any Executive of any of the Companies, or solicit or induce any such person to join the Executive as a partner, investor, co-venturer, or otherwise encourage or induce them to terminate their employment with any of the Companies.

8.2 Executive expressly acknowledges that all of the provisions of this Section 7 of this Agreement have been bargained for and Executive's agreement hereto is an integral part of the consideration to be rendered by the Executive which justifies the rate and extent of the compensation provided for hereunder.

8.3 Executive acknowledges and agrees that a violation of any one of the covenants contained in this Section 7 shall cause irreparable injury to the Company, that the remedy at law for such a violation would be inadequate and that the Company shall thus be entitled to temporary injunctive relief to enforce that covenant until such time that a court of competent jurisdiction either (a) grants or denies permanent injunctive relief or (b) awards other equitable remedy(s) as it sees fit.

8.4 Successors.

8.4.1 Executive. This Agreement is personal to Executive and, without the prior express written consent of the Company, shall not be assignable by Executive, except that Executive's rights to receive any compensation or benefits under this Agreement may be transferred or disposed of pursuant to testamentary disposition, intestate succession or a qualified domestic relations order or in connection with a Disability. This Agreement shall inure to the benefit of and be enforceable by Executive's estate, heirs, beneficiaries, and/or legal representatives.

8.4.2 The Company. This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns.

8.5 Inventions and Patents. The Company shall be entitled to the sole benefit and exclusive ownership of any inventions or improvements in products, processes, or other things that may be made or discovered by Executive within the technological fields of interests while he is in the service of the Company, and all patents for the same. During the Term, Executive shall do all acts necessary or required by the Company to give effect to this section and, following the Term, Executive shall do all acts reasonably necessary or required by the Company to give effect to this section. In all cases, the Company shall pay all costs and fees associated with such acts by Executive.

9. MISCELLANEOUS.

9.1 Indemnification. The Company and each of its subsidiaries shall, to the maximum extent provided under applicable law, indemnify and hold Executive harmless from and against any expenses, including reasonable attorney's fees, judgments, fines, settlements and other legally permissible amounts ("Losses"), incurred in connection with any proceeding arising out of, or related to, Executive's employment by the Company, other than any such Losses incurred as a result of Executive's negligence or willful misconduct. The Company shall, or shall cause a third party to, advance to Executive any expenses, including attorney's fees and costs of settlement, incurred in defending any such proceeding to the maximum extent permitted by applicable law. Such costs and expenses incurred by Executive in defense of any such proceeding shall be paid by the Company or applicable third party in advance of the final disposition of such proceeding promptly upon receipt by the Company of (a) written request for payment; (b) appropriate documentation evidencing the incurrence, amount and nature of the costs and expenses for which payment is being sought; and (c) an undertaking adequate under applicable law made by or on behalf of Executive to repay the amounts so advanced if it shall ultimately be determined pursuant to any non-appealable judgment or settlement that Executive is not entitled to be indemnified by the Company. The Company will provide Executive with coverage under all director's and officer's liability insurance policies which it has in effect during the Term, with no deductible to Executive.

9.2 Applicable Law. Except as may be otherwise provided herein, this Agreement shall be governed by and construed in accordance with the laws of the State of New York, applied without reference to principles of conflict of laws.

9.3 Amendments. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors or legal representatives.

9.4 Notices. All notices and other communications hereunder shall be in writing and shall be given by hand-delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

Kin Chan

If to the Company:

Thompson Designs, Inc.
1098 Hamilton Court
Menlo Park, California 94025
Fax: (650) 900-4130

With a copy to (which shall not constitute notice):

Ofsink, LLC
900 Third Avenue, 5th Floor
New York, New York 10022
Attn: Darren Ofsink
Fax: 646-224-9844

Or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notices and communications shall be effective when actually received by the addressee.

9.5 Withholding. The Company may withhold from any amounts payable under the Agreement, such federal, state and local income, unemployment, social security and similar employment related taxes and similar employment related withholdings as shall be required to be withheld pursuant to any applicable law or regulation.

9.6 Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and any such provision which is not valid or enforceable in whole shall be enforced to the maximum extent permitted by law.

9.7 Captions. The captions of this Agreement are not part of the provisions and shall have no force or effect.

9.8 Entire Agreement. This Agreement contains the entire agreement among the parties concerning the subject matter hereof and supersedes all prior agreements, understandings,

discussions, negotiations and undertakings, whether written or oral, between the parties with respect thereto.

9.9 Survivorship. The respective rights and obligations of the parties hereunder shall survive any termination of this Agreement or the Executive's employment hereunder to the extent necessary to the intended preservation of such rights and obligations.

9.10 Waiver. Either Party's failure to enforce any provision or provisions of this Agreement shall not in any way be construed as a waiver of any such provision or provisions, or prevent that party thereafter from enforcing each and every other provision of this Agreement.

9.11 Joint Efforts/Counterparts. Preparation of this Agreement shall be deemed to be the joint effort of the parties hereto and shall not be construed more severely against any party. This Agreement may be signed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

9.12 Representation by Counsel. Each Party hereby represents that it has had the opportunity to be represented by legal counsel of its choice in connection with the negotiation and execution of this Agreement.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

EXECUTIVE:

/s/ Kin F. Chan
Name: Kin F. Chan

THOMPSON DESIGNS, INC.
a Nevada corporation

By: /s/ James R. Pekarsky
Name: James R. Pekarsky
Title: CEO

Exhibit 10.15

BIOPHARMX CORPORATION

SUBSCRIPTION AGREEMENT

As of October 24, 2014

Mr. James Pekarsky
Chief Executive Officer
BioPharmX Corporation
1098 Hamilton Court
Menlo Park, California 94025

1. Subscription.

(a) The undersigned subscriber (the "Subscriber") hereby irrevocably subscribes for and agrees to purchase the number of shares (the "Shares") of the Company's Series A preferred stock, par value $.001 per share ("Series A Preferred Stock"), with the powers, preferences, rights, qualifications, limitations and restrictions as set forth in the certificate of designations in the form of Exhibit A hereto (the "Certificate of Designations"), set forth on the signature page hereto from BioPharmX Corporation, a Delaware corporation (the "Company") for the purchase price of $1.85 per share in connection with the Company's offering of up to $8,000,000 in Series A Preferred Stock together with the right to receive warrants for no additional consideration (the "Offering"), in the form of Exhibit B hereto, granting subscriber the right to purchase a number of shares of common stock, par value $.001 per share, of the Company (the "Common Stock") equal to fifty percent (50%) of the number of shares of Common Stock into which the Shares are convertible (such warrants, the "Warrants;" together with the Series A Preferred Stock, the "Securities"). The Warrants will have an initial exercise price equal to $3.70 per share and shall be exercisable for a three (3) year period. In addition, the Shares and shares issuable upon exercise of the Warrants (the "Warrant Shares") shall have the registration rights as provided in Section 4 hereof. In addition, Subscriber agrees to enter into the Investor Rights Agreement (the "Investor Rights Agreement"), in the form of Exhibit C hereto, granting the Subscriber additional rights from the Company and certain of its shareholders.

This Subscription Agreement and the Investor Rights Agreement (the "Subscription Agreement") together with the Exhibits and Schedules thereto constitute the "Offering Documents."

This subscription is based solely upon the information provided in the Offering Documents and upon the Subscriber's own investigation as to the merits and risks of this investment. The Subscriber shall deliver herewith duly executed copies of the signature pages to the following documents: (i) the Subscription Agreement, and (ii) the Accredited Investor Questionnaire.

The Offering may be consummated at more than one closing to occur on a date as may be determined by the Company. Each such closing is referred to as a "Closing" and the date of each such Closing is referred to as the "Closing Date." A final Closing shall be held by the Company on or before September 30, 2014"), which can be extended up to October 15, 2014 by the Company's board of directors (the "Final Closing Date"). At each Closing with respect to the Shares subscribed for hereby and accepted by the Company, the Company shall deliver to the Subscriber, the stock certificate for the Shares and the Warrants certificate. If the Company does not accept this subscription, in whole or in part, it will promptly refund to the Subscriber, without deduction therefrom, any subscription payment received from the Subscriber for the Shares, the subscription for which was not accepted by the Company.

(b) Subject to the terms and conditions hereinafter set forth, the Subscriber hereby subscribes for and agrees to purchase the number of Shares from the Company set forth on the signature page hereof, and when this Agreement is accepted and executed by the Company, the Company agrees to issue such Shares and Warrants to the Subscriber. The subscription price is payable by wire transfer pursuant to the following wire instructions.

WIRING INSTRUCTIONS

Bank's Name and Address:	Bank of America 315 Montgomery Street San Francisco, CA 94104
Account #:	325000471314
ABA Routing #:	026009593
SWIFT:	BOFAUS3N (for overseas transfers)
Account Title:	BioPharmX

2. Subscriber Representations, Warranties and Agreements. The Subscriber hereby acknowledges, represents and warrants as follows (with the understanding that the Company will rely on such representations and warranties in determining, among other matters, the suitability of this investment for the Subscriber in order to comply with federal and state securities laws):

(a) In connection with this subscription, the Subscriber has read this Subscription Agreement and the other Offering Documents. The Subscriber acknowledges that this Subscription Agreement is not intended to set forth all of the information which might be deemed pertinent by an investor who is considering an investment in the Securities. It being the responsibility of Subscriber (i) to determine what additional information he desires to obtain in evaluating this investment and (ii) to obtain such information from the Company.

(b) THIS OFFERING IS LIMITED TO PERSONS WHO ARE "ACCREDITED INVESTORS," AS THAT TERM IS DEFINED IN REGULATION D UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND

WHO HAVE THE FINANCIAL MEANS AND THE BUSINESS, FINANCIAL AND INVESTMENT EXPERIENCE AND ACUMEN TO CONDUCT AN INVESTIGATION AS TO, AND TO EVALUATE, THE MERITS AND RISKS OF THIS INVESTMENT. THE SUBSCRIBER HEREBY REPRESENTS THAT HE HAS READ, IS FAMILIAR WITH AND UNDERSTANDS RULE 501 OF REGULATION D UNDER THE ACT. THE SUBSCRIBER IS AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(A) OF REGULATION D.

(c) The Subscriber has had full access to all the information which the Subscriber (or the Subscriber's advisor) considers necessary or appropriate to make an informed decision with respect to the Subscriber's investment in the Securities. The Subscriber acknowledges that the Company has made available to the Subscriber and the Subscriber's advisors the opportunity to examine and copy any contract, matter or information which the Subscriber considers relevant or appropriate in connection with this investment and to ask questions and receive answers relating to any such matters including, without limitation, the financial condition, management, employees, business, obligations, corporate books and records, budgets, business plans of and other matters relevant to the Company. To the extent the Subscriber has not sought information regarding any particular matter, the Subscriber represents that he or she had and has no interest in doing so and that such matters are not material to the Subscriber in connection with this investment. The Subscriber has accepted the responsibility for conducting the Subscriber's own investigation and obtaining for itself such information as to the foregoing and all other subjects as the Subscriber deems relevant or appropriate in connection with this investment. The Subscriber is not relying on any representation other than that contained herein. The Subscriber acknowledges that no representation regarding projected financial performance or a projected rate of return has been made to it by any party.

(d) The Subscriber understands that the offering of the Securities has not been registered under the Securities Act, in reliance on an exemption for private offerings provided pursuant to Section 4(2) of the Securities Act and that, as a result, the Securities, as well as the securities issuable upon conversion of the Securities as set forth in the Certificate of Designations and the Warrants certificate and the securities issuable in connection with such securities (collectively, the "Conversion Securities"), will be "restricted securities" as that term is defined in Rule 144 under the Securities Act and, accordingly, under Rule 144 as currently in effect, that the Securities or the Conversion Securities must be held until the latest of (i) at least six (6) months after the investment has been made (or indefinitely if the Subscriber is deemed an "affiliate" within the meaning of such rule), or (ii) January 23, 2015, one year from the closing of the reverse acquisition transaction, unless the Securities or Conversion Securities are subsequently registered under the Securities Act and qualified under any other applicable securities law or exemptions from such registration and qualification are available. The Subscriber understands that except as set forth in Section 4 hereof the Company is under no obligation to register the Securities under the Securities Act or to register or qualify the Securities under any other

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applicable securities law, or to comply with any other exemption under the Securities Act or any other securities law, and that the Subscriber has no right to require such registration. The Subscriber further understands that the Offering of the Securities has not been qualified or registered under any foreign or state securities laws in reliance upon the representations made and information furnished by the Subscriber herein and any other documents delivered by the Subscriber in connection with this subscription; that the Offering has not been reviewed by the Commission or by any foreign or state securities authorities; that the Subscriber's rights to transfer the Securities will be restricted, which includes restrictions against transfers unless the transfer is not in violation of the Securities Act and applicable state securities laws (including investor suitability standards); and that the Company may in its sole discretion require the Subscriber to provide at Subscriber's own expense an opinion of its counsel to the effect that any proposed transfer is not in violation of the Act or any state securities laws.

(e) The Subscriber is empowered and duly authorized to enter into this Subscription Agreement which constitutes a valid and binding agreement of the Subscriber enforceable against the Subscriber in accordance with its terms; and the person signing this Subscription Agreement on behalf of the Subscriber is empowered and duly authorized to do so.

(f) The Subscriber has liquid assets sufficient to assure that the purchase price of the Securities will cause no undue financial difficulties and that, after purchasing the Securities the Subscriber will be able to provide for any foreseeable current needs and possible personal contingencies; the Subscriber is able to bear the risk of illiquidity and the risk of a complete loss of this investment.

(g) The information in any documents delivered by the Subscriber in connection with this subscription, including, but not limited to the Investor Questionnaire, is true, correct and complete in all respects as of the date hereof. The Subscriber agrees promptly to notify the Company in writing of any change in such information after the date hereof.

(h) The offering and sale of the Securities to the Subscriber were not made through any advertisement in printed media of general and regular paid circulation, radio or television or any other form of advertisement, or as part of a general solicitation.

(i) The Subscriber recognizes that an investment in the Securities involves significant risks. The Subscriber has read and understands such risks and that such risks, and others, can result in the loss of the Subscriber's entire investment in the Securities.

(j) The Subscriber is acquiring the Securities, as principal, for the Subscriber's own account for investment purposes only, and not with a present intention toward or for the resale, distribution or fractionalization thereof, and no other person has a beneficial interest in the Securities. The Subscriber has no present intention of selling or otherwise distributing or disposing of the Securities, and understands that an investment in the Securities must be considered a long-term illiquid investment.

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3. **Representations, Warranties and Covenants of the Company**. As a material inducement of the Subscribers to enter into this Subscription Agreement and subscribe for the Securities, the Company represents and warrants to the Subscriber, as of the date hereof, as follows:

(a) Organization and Standing. The Company is a duly organized corporation, validly existing and in good standing under the laws of the State of Delaware, has full power to carry on its business as and where such business is now being conducted and to own, lease and operate the properties and assets now owned or operated by it and is duly qualified to do business and is in good standing in each jurisdiction where the conduct of its business or the ownership of its properties requires such qualification except where the failure to be so qualified would not have a Material Adverse Effect on the Company. "Material Adverse Effect" means any circumstance, change in, or effect on the Company that, individually or in the

aggregate with any other similar circumstances, changes in, or effects on, the Company taken as a whole: (i) is, or is reasonably expected to be, materially adverse to the business, operations, assets, liabilities, employee relationships, customer or supplier relationships, prospects, results of operations or the condition (financial or otherwise) of the Company taken as a whole, or (ii) is reasonably expected to adversely affect the ability of the Company to operate or conduct the Company's business in the manner in which it is currently operated or conducted or proposed to be operated or conducted by the Company; provided, however, that none of the following shall be deemed in and of themselves, either alone or in combination, to constitute, and none of the following shall be taken into account in determining whether there has been or will be, a Material Adverse Effect: (i) any change, event, state of facts or development generally affecting the general political, economic or business conditions of the United States; (ii) any change, event, state of facts or development generally affecting the medical device industry; (iii) any change, event, state of facts or development arising from or relating to compliance with the terms of this Subscription Agreement; (iv) acts of war (whether or not declared), the commencement, continuation or escalation of a war, acts of armed hostility, sabotage or terrorism or other international or national calamity or any material worsening of such conditions; (v) changes in laws or the U.S. generally accepted accounting principles ("GAAP") after date hereof or interpretation thereof; or (vi) any matter set forth in the Offering Documents or the Schedules or Exhibits thereto.

(b) Subsidiaries. Except for BiopharmX Inc., a Nevada corporation, as of the date herein, the Company does not own or control any subsidiaries. For purposes of this Agreement, "Subsidiary" means, with respect to any entity at any date, any corporation, limited or general partnership, limited liability company, trust, estate, association, joint venture or other business entity of which more than 50% of (i) the outstanding capital stock having (in the absence of contingencies) ordinary voting power to elect a majority of the board of directors or other managing body of such entity, (ii) in the case of a partnership or limited liability company, the interest in the capital or profits of such partnership or limited liability company or (iii) in the case of a trust, estate, association, joint venture or other entity, the beneficial interest in such trust, estate, association or other entity business is, at

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the time of determination, owned or controlled directly or indirectly through one or more intermediaries, by such entity.

(c) Authority. The execution, delivery and performance of this Subscription Agreement and the other Offering Documents by the Company and the consummation of the transactions contemplated hereby have been duly authorized by the Board of Directors of the Company. Each of the documents contained in the Offering Documents has been (or upon delivery will be) duly executed by the Company, is or, when delivered in accordance with the terms hereof, will constitute, assuming due authorization, execution and delivery by each of the parties thereto, the valid and binding obligation of the Company enforceable against the Company in accordance with its terms.

(d) No Conflict. The execution, delivery and performance of this Subscription Agreement and the consummation of the transactions contemplated hereby do not (i) violate or conflict with the Company's Certificate of Incorporation, By-laws or other organizational documents, (ii) conflict with or result (with the lapse of time or giving of notice or both) in a material breach or default under any material agreement or instrument to which the Company is a party or by which the Company is otherwise bound, or (iii) violate any order, judgment, law, statute, rule or regulation applicable to the Company, except where such violation, conflict or breach would not have a Material Adverse Effect on the Company. This Subscription Agreement when executed by the Company will be a legal, valid and binding obligation of the Company enforceable in accordance with its terms (except as may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles relating to or limiting creditors' rights generally).

(e) Authorization. Issuance of the Securities to Subscriber has been duly authorized by all necessary corporate actions of the Company.

(f) Litigation and Other Proceedings. There are no actions, suits, proceedings or investigations pending or, to the knowledge of the Company, threatened against the Company at law or in equity before or by any court or Federal, state, municipal or their governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign which could materially adversely affect the Company. The Company is not subject to any continuing order, writ, injunction or decree of any court or agency against it which would have a material adverse effect on the Company.

(g) Use of Proceeds. The proceeds of this Offering and sale of the Securities, net of payment of placement expenses, will be used by the Company for working capital and general corporate purposes.

(h) Consents/Approvals. No consents, filings (other than Federal and state securities filings relating to the issuance of the Securities pursuant to applicable exemptions from registration, which the Company hereby undertakes to make in a timely fashion), authorizations or other actions of any governmental authority are required to be obtained or made by the Company for the Company's execution, delivery and performance of this

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Subscription Agreement which have not already been obtained or made or will be made in a timely manner following the initial Closing.

(i) Placement Agents. The Company may engage finders, brokers or placement agents in connection with the transactions contemplated hereby and pay to such brokers fees not to exceed ten (10) percent of the gross proceeds of the Offering and shares of Common Stock representing ten (10) percent of shares of Common Stock sold in the Offering.

(j) Capitalization. A capitalization table illustrating the authorized and outstanding capital stock of the Company as of the date hereof is attached as Schedule 3(j). All of such outstanding shares have been, or upon issuance will be, validly issued, fully paid and non-assessable. As of the date hereof, except as disclosed in Schedule 3(j), and except for Securities issued in the Offering (i) no shares of the Company's capital stock are subject to preemptive rights or any other similar rights or any liens or encumbrances suffered or permitted by the Company, (ii) there are no outstanding debt securities, (iii) there are no outstanding options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, any shares of capital stock of the Company or any of its subsidiaries, or contracts, commitments, understandings or arrangements by which the Company or any of its subsidiaries is or may become bound to issue additional shares of capital stock of the Company or any of its subsidiaries or options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, any shares of capital stock of the Company or any of its subsidiaries, (iv) except for its obligations under Section 4 of this Agreement, there are no agreements or arrangements under which the Company or any of its subsidiaries is obligated to register the sale of any of their securities under the Securities Act, (v) there are no outstanding securities of the Company or any of its subsidiaries which contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the

Company or any of its subsidiaries is or may become bound to redeem a security of the Company or any of its subsidiaries, and (vi) there are no securities or instruments containing anti-dilution or similar provisions that will be triggered by the issuance or exercise of the Securities as described in this Subscription Agreement. The Company has furnished to the Subscriber true and correct copies of the Company's Certificate of Incorporation, as amended and as in effect on the date hereof (the "Certificate of Incorporation"), and the Company's By-laws, as in effect on the date hereof (the "By-laws"), and the terms of all securities convertible or exchangeable into or exercisable for Common Stock and the material rights of the holders thereof in respect thereto. Schedule 3(j) also lists all outstanding debt of the Company with sufficient detail acceptable to Subscriber.

(k) Intellectual Property Rights. The Company owns or possesses adequate rights or licenses to use all trademarks, trade names, service marks, service mark registrations, service names, patents, patent rights, copyrights, inventions, licenses, approvals, governmental authorizations, trade secrets and rights necessary to conduct its businesses as now conducted. The Company does not have any knowledge of any infringement by the Company of trademark, trade name rights, patents, patent rights, copyrights, inventions,

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licenses, service names, service marks, service mark registrations, trade secret or other similar rights of others, or of any such development of similar or identical trade secrets or technical information by others and there is no claim, action or proceeding being made or brought against, or to the Company's knowledge, being threatened against, the Company regarding trademarks, trade name rights, patents, patent rights, inventions, copyrights, licenses, service names, service marks, service mark registrations, trade secrets or other infringement.

(l) Disclosure. No representation or warranty by the Company in this Subscription Agreement, the other Offering Documents, nor in any certificate, Schedule or Exhibit delivered or to be delivered pursuant to this Subscription Agreement or the other Offering Documents: contains or will contain any untrue statement of material fact or omits or will omit to state a material fact necessary to make the statements contained herein or therein not misleading. To the knowledge of the Company at the time of the execution of this Subscription Agreement and at each Closing, there is no information concerning the Company which has not heretofore been disclosed to the Subscribers that would have a Material Adverse Effect.

(m) Title. The Company has good and marketable title to all personal property owned by it which is material to the business of the Company, in each case free and clear of all liens, encumbrances and defects.

(n) Tax Status. The Company has made or filed all United States federal and state income and all other tax returns, reports and declarations required by any jurisdiction to which it is subject and all such returns, reports and declarations are true, correct and accurate in all material respects. The Company has paid all taxes and other governmental assessments and charges, shown or determined to be due on such returns, reports and declarations, except those being contested in good faith, for which adequate reserves have been established, in accordance with GAAP, and except where the failure to do so would not constitute a Material Adverse Effect on the Company.

(o) Compliance with Laws. The business of the Company has been and is presently being conducted so as to comply with all applicable material federal, state and local governmental laws, rules, regulations and ordinances.

(p) Restrictions on Business Activities. There is no judgment, order, decree, writ or injunction binding upon the Company or any subsidiary or, to the knowledge of the Company or any subsidiary, threatened that has or could prohibit or impair the conduct of their respective businesses as currently conducted or any business practice of the Company or any subsidiary, including the acquisition of property, the provision of services, the hiring of employees or the solicitation of clients, in each case either individually or in the aggregate.

(r) Issuances. The Company's common stock issuable upon conversion of the Shares and exercise of Warrants will be validly issued, fully paid and nonassessable.

(s) USA PATRIOT Act and Money Laundering Laws. The operations of the Company are and have been conducted at all times in compliance with the money laundering requirements of all applicable governmental authorities and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental authority (collectively, the "Money Laundering Laws") and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Title III of Pub. L. 107-56 (signed into Law October 26, 2001) (the "USA PATRIOT Act") and no action, suit or proceeding by or before any court or governmental authority or any arbitrator involving any of the Company or any of its Subsidiaries with respect to the Money Laundering Laws or USA PATRIOT Act is pending or, to the best knowledge of the Company, threatened.

(t) For twelve months after the Closing, the Subscribers that have subscribed for at least $500,000 of the Shares shall have the right to purchase on a pro-rata basis up to an aggregate of 50% of the securities offered by the Company in any subsequent offering (the "Follow-On Financing") upon the same terms as offered to all other offerees. The Subscribers shall be given not less than ten days prior written notice (the "Notice of Sale") of any proposed Follow-On Financing and shall have the right during the ten days following receipt of the Notice of Sale to purchase the securities offered in the Follow-On Financing.

(u) Within 12 months after the first Closing, the Company shall increase the number of the directors of the Company to 5, including the current directors, and the Board of Directors shall appoint at least one director qualifying as an audit committee financial expert, as defined in Item 407(d)(5)(i) of Regulation S-K, and two directors qualifying as independent directors pursuant to the definition of "independent director" under the Rules of NASDAQ, Marketplace Rule 5605(a)(2).

(v) For sixty (60) days after the date hereof, upon any issuance by the Company or any of its subsidiaries of any security with any term more favorable to the holder of such security or with a term in favor of the holder of such security that was not similarly provided to the Subscriber, the Company shall notify the Subscriber of such additional or more favorable term and such term, at Subscriber's option, shall become a part of the transaction documents with the Subscriber. The types of terms contained in another security that may be more favorable to the holder of such security shall not include any rights to representation on the Company's board of directors.

(W) The Subscribers shall purchase $2,000,000 of the Shares at the per share price of $1.85 upon the earlier of the Company receiving revenues for Violet of $2,000,000 (the "Milestone") or upon immediate up listing to the NYSE or NASDAQ exchange, provided that the Subscribers will have no

rights to receive Warrants in connection with the purchase of such Shares. Within ten (10) business days after the written notice of the Milestone is provided by the Company, the Subscribers shall remit funds to the Company for the $2,000,000 of Shares.

Section 4. Registration Rights.

(a) Registration Rights.

(i) If at any time following the approval of the Common Stock for listing on the NASDAQ or NYSE, (a) there is no effective Registration Statement with respect to shares of Common Stock underlying the Series A Preferred Stock and the Warrant Shares (the "Registrable Shares") and (b) not all of the outstanding Registrable Shares may be sold without registration pursuant to Rule 144 under the Securities Act, then Subscribers that at the time of the written demand (directly or with their affiliates) hold the Registrable Shares representing more than 50% of the Registrable Shares then outstanding (individually, a "Demanding Holder" and collectively, the "Demanding Holders"), may make a written demand for registration (a "Demand Registration" and the registration statement to be filed pursuant to such Demand Registration, the "Demand Registration Statement") under the Securities Act of the sale of all or part of its Registrable Shares. Any request for a Demand Registration shall specify the number of shares (or other amount) of Registrable Shares proposed to be sold and the intended method(s) of distribution thereof (such written demand, the "Demand Notice"). The Company will notify the Subscribers other than the Demanding Holder of the Demand Registration (each such Holder including Shares of its Registrable Shares in such registration, a "Participating Holder") as soon as practicable, and each such other Holder who wishes to include all or a portion of its Registrable Shares of the type that are the subject of the Demand Registration Statement proposed to be filed in such Demand Registration Statement shall so notify the Company within fifteen (15) days after receipt of such notice (the "Demanding Subscribers' Deadline"). The Company shall use its best efforts to file such Demand Registration Statement within forty five (45) days (the "Required Filing Date") after receiving the Demand Notice, and use its best efforts to have the Demand Registration Statement declared effective by the U.S. Securities and Exchange Commission, not later than ninety (90) days after the Required Filing Date. The Company shall not be obligated to effect more than two (2) Demand Registrations under this Section 4(a) in respect of Registrable Shares.

(ii) The Company will pay all expenses associated with the registration, including, without limitation, filing and printing fees, accounting fees and expenses, costs, if any, associated with clearing the Registrable Securities for sale under applicable state securities laws.

(b) Subscriber Information. Each Subscriber shall (A) furnish to the Company such information regarding itself, the Registrable Securities, other securities of the Company held by it and the intended method of disposition of the Registrable Securities held by it, as shall be reasonably requested by the Company to effect and maintain the effectiveness of the Registration Statement, (B) execute such documents in connection with the Registration Statement as the Company may reasonably request and (C) immediately

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discontinue disposition of Registrable Securities pursuant to any registration statement upon notice from the Company of (x) the issuance of any stop order or other suspension of effectiveness of the Registration Statement by the Commission, or the suspension of the qualification of any of the Registrable Securities for sale in any jurisdiction by the applicable regulatory authorities or (y) the happening of any event, as promptly as practicable after becoming aware of such event, as a result of which the prospectus included in the Registration Statement, as then in effect, includes an untrue statement of a material fact or omission to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading or (z) the failure of the prospectus included in the Registration Statement, as then in effect, to comply with the requirements of the Securities Act until the Subscriber's receipt of a supplemented or amended prospectus or receipt of notice that no supplement or amendment is required.

(c) Indemnification.

(i) In the event any Registrable Securities are included in the Registration Statement under this Section 4, to the extent permitted by law, the Company will indemnify and hold harmless each of the Subscribers (including their officers, directors, members and partners), any underwriter (as defined in the Securities Act) for the Subscribers and each person, if any, who controls such Subscriber or underwriter within the meaning of the Securities Act or the Exchange Act (each a "Subscriber Indemnified Person"), against any losses, claims, damages, or liabilities (joint or several) to which they may become subject under the Securities Act, the Exchange Act or other federal or state law ("Claims"), insofar as such losses, claims, damages, or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively a "Violation"): (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto, (ii) the omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading, or (iii) any violation or alleged violation by the Company of the Securities Act, the Exchange Act, any state securities law or any rule or regulation promulgated under the Securities Act, the Exchange Act or any state securities law; and the Company will pay to the Subscriber Indemnified Person, as incurred, any legal or other expenses reasonably incurred by them in connection with investigating or defending any Claim; provided, however, that the indemnity agreement contained in this Section 4 shall not apply to amounts paid in settlement of any such Claim if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld or delayed), nor shall the Company be liable to any Subscriber Indemnified Person for any such Claim to the extent that it arises out of or is based upon a Violation which occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by the Subscriber Indemnified Person. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of

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such Subscriber Indemnified Person and shall survive the transfer of the Registrable Securities by the Subscribers.

(ii) In the event any Registrable Securities are included in the Registration Statement under this Section 4 to the extent permitted by law, each Subscriber shall, severally and not jointly, indemnify, hold harmless and defend, to the same extent and in the same manner as is set forth in

Section 4, the Company, each of its directors, each of its officers who signs the registration statement and each Person, if any, who controls the Company within the meaning of the Securities Act or the Securities Exchange Act of 1934, as amended (the "Exchange Act"), (each, a "Company Indemnified Person"), against any Claim, insofar as such Claims arise out of or are based upon any Violation, in each case to the extent, and only to the extent, that such Violation occurs in reliance upon and in strict conformity with written information furnished to the Company by such Subscriber expressly for use in the Registration Statement; and, subject to Section 4, such Subscriber will reimburse any legal or other expenses reasonably incurred by any Company Indemnified Person in connection with investigating or defending any such Claim; provided, however, that the indemnity agreement contained in this Section 4 shall not apply to amounts paid in settlement of any Claim if such settlement is effected without the prior written consent of the indemnifying Subscriber, which consent shall not be unreasonably withheld or delayed. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Company Indemnified Person and shall survive the transfer of the Registrable Securities by the Subscribers.

(iii) Promptly after receipt by a Subscriber Indemnified Person or Company Indemnified Person (each, an "Indemnified Person") under this Section 4 of notice of a Claim, such Indemnified Person shall, if a Claim in respect thereof is to be made against any indemnifying party under this Section 4, deliver to the indemnifying party a written notice of the commencement thereof, and the indemnifying party shall, by giving written notice to the Indemnified Party within fifteen days after the Indemnified Party has given notice of the Claim, have the right to participate in, and, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume control of the defense thereof with counsel mutually satisfactory to the indemnifying party and the Indemnified Person; provided, however, that an Indemnified Person shall have the right to retain its own counsel with the fees and expenses of not more than one counsel for such Indemnified Person to be paid by the indemnifying party, if, in the reasonable opinion of counsel retained by the indemnifying party, the representation by such counsel of the Subscriber Indemnified Person or Company Indemnified Person and the indemnifying party would be inappropriate due to actual or potential differing interests between such Indemnified Person and any other party represented by such counsel in such proceeding. In the case of any Company Indemnified Person, legal counsel referred to in the proviso of the immediately preceding sentence shall be selected by the holders holding at least a majority in interest of the Registrable Securities included in the registration statement to which the Claim relates. The Indemnified Person shall cooperate fully with the indemnifying party in connection with any negotiation or defense of any such action

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or Claim by the indemnifying party and shall furnish to the indemnifying party all information reasonably available to the Indemnified Person that relates to such action or Claim. The indemnifying party shall keep the Indemnified Person reasonably apprised at all times as to the status of the defense or any settlement negotiations with respect thereto. No indemnifying party shall be liable for any settlement of any action, claim or proceeding effected without its prior written consent, provided, however, that the indemnifying party shall not unreasonably withhold, delay or condition its consent. No indemnifying party shall, without the prior written consent of the Indemnified Person, consent to entry of any judgment or enter into any settlement or other compromise that does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Person of a full and general release from all liability in respect to such Claim or litigation, and such settlement (a) shall provide for the payment by the Indemnifying Party of money as sole relief for the claimant, (b) shall not include any finding or admission as to fault on the part of the Indemnified Person and (c) shall have no effect on any other claims that may be made against the Indemnified Party.

Following indemnification as provided for hereunder, the indemnifying party shall be subrogated to all rights of the Indemnified Person with respect to all third parties, firms or corporations relating to the matter for which indemnification has been made. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action shall not relieve such indemnifying party of any liability to the Indemnified Person under this Section 4, except to the extent that the indemnifying party is materially prejudiced in its ability to defend such action.

5. Legends. The Subscriber understands and agrees that the Company will cause any necessary legends to be placed upon any instruments(s) evidencing ownership of the Securities, together with any other legend that may be required by federal or state securities laws or deemed necessary or desirable by the Company.

6. General Provisions.

(a) Confidentiality. The Subscriber covenants and agrees that it will keep confidential and will not disclose or divulge any confidential or proprietary information that such Subscriber may obtain from the Company pursuant to financial statements, reports, and other materials submitted by the Company to such Subscriber in connection with this offering or as a result of discussions with or inquiry made to the Company, unless such information is known, or until such information becomes known, to the public through no action by the Subscriber; provided, however, that a Subscriber may disclose such information (i) to its attorneys, accountants, consultants, and other professionals to the extent necessary in connection with his or her investment in the Company so long as any such professional to whom such information is disclosed is made aware of the Subscriber's obligations hereunder and such professional agrees to be likewise bound as though such professional were a party hereto, (ii) if such information becomes generally

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available to the public through no fault of the Subscriber, or (iii) if such disclosure is required by applicable law or judicial order.

(b) Successors. The covenants, representations and warranties contained in this Subscription Agreement shall be binding on the Subscriber's and the Company's heirs and legal representatives and shall inure to the benefit of the respective successors and assigns of the Company. The rights and obligations of this Subscription Agreement may not be assigned by any party without the prior written consent of the other party.

(c) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original agreement, but all of which together shall constitute one and the same instrument.

(d) Execution by Facsimile. Execution and delivery of this Agreement by facsimile transmission (including the delivery of documents in Adobe PDF format) shall constitute execution and delivery of this Agreement for all purposes, with the same force and effect as execution and delivery of an original manually signed copy hereof.

(e) Governing Law and Jurisdiction. This Subscription Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts to be wholly performed within such state and without regard to conflicts of laws provisions. Any legal action or proceeding arising out of or relating to this Subscription Agreement and/or the other Offering Documents may be instituted in the courts of the State of New York sitting in New York County or in the United States of America for the Southern District of New York, and the parties hereto irrevocably submit to the jurisdiction of each such court in any action or proceeding. Subscriber hereby irrevocably waives and agrees not to assert, by way of motion, as a defense, or otherwise, in every suit, action or other proceeding arising out of or based on this Subscription Agreement and/or the other Offering Documents and brought in any such court, any claim that Subscriber is not subject personally to the jurisdiction of the above named courts, that Subscriber's property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum or that the venue of the suit, action or proceeding is improper.

(f) (i) Indemnification Generally. The Company, on the one hand, and the Subscriber, on the other hand (for the purpose of this Section 6(f) only, each an "Indemnifying Party"), shall indemnify the other from and against any and all losses, damages, liabilities, claims, charges, actions, proceedings, demands, judgments, settlement costs and expenses of any nature whatsoever (including, without limitation, reasonable attorneys' fees and expenses) resulting from any breach of a representation and warranty, covenant or agreement by the Indemnifying Party and all claims, charges, actions or proceedings incident to or arising out of the foregoing. Notwithstanding any provision herein to the contrary, the indemnification obligation of any Subscriber shall be limited to the investment amount in the Shares purchased

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by said Subscriber, except to the extent that such indemnification obligation relates to a breach of Section 2(b).

(ii) Indemnification Procedures. Each person entitled to indemnification under this Section 6 (for the purpose of this Section 6(f) only, an "Indemnified Party") shall give notice as promptly as reasonably practicable to each party required to provide indemnification under this Section 6 of any action commenced against or by it in respect of which indemnity may be sought hereunder, but failure to so notify an Indemnifying Party shall not release such Indemnifying Party from any liability that it may have, otherwise than on account of this indemnity agreement so long as such failure shall not have materially prejudiced the position of the Indemnifying Party. Upon such notification, the Indemnifying Party shall assume the defense of such action if it is a claim brought by a third party, and, if and after such assumption, the Indemnifying Party shall not be entitled to reimbursement of any expenses incurred by it in connection with such action except as described below. In any such action, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the Indemnifying Party and the Indemnified Party shall have mutually agreed to the contrary or (ii) the named parties in any such action (including any impleaded parties) include both the Indemnifying Party and the Indemnified Party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing or conflicting interests between them. The Indemnifying Party shall not be liable for any settlement of any proceeding effected without its written consent (which shall not be unreasonably withheld or delayed by such Indemnifying Party), but if settled with such consent or if there be final judgment for the plaintiff, the Indemnifying Party shall indemnify the Indemnified Party from and against any loss, damage or liability by reason of such settlement or judgment.

g. Notices. All notices, requests, demands, claims and other communications hereunder shall be in writing and shall be delivered by certified or registered mail (first class postage pre-paid), guaranteed overnight delivery, or facsimile transmission if such transmission is confirmed by delivery by certified or registered mail (first class postage pre-paid) or guaranteed overnight delivery, to the following addresses and facsimile numbers (or to such other addresses or facsimile numbers which such party shall subsequently designate in writing to the other party):

(i) if to the Issuer:

BioPharmX Corporation
1098 Hamilton Court
Menlo Park, California 94025
Attn: Mr. James Pekarsky
Facsimile: (650) 900-4130

(ii) if to the Subscriber to the address set forth next to its name on the signature page hereto.

h. Entire Agreement. This Subscription Agreement (including the Exhibits attached hereto) and other Offering Documents delivered at a Closing pursuant hereto, contain the entire understanding of the parties in respect of its subject matter and supersede all prior agreements and understandings between or among the parties with respect to such subject matter. The Exhibits constitute a part hereof as though set forth in full above.

i. Amendment; Waiver. This Subscription Agreement may not be modified, amended, supplemented, canceled or discharged, except by written instrument executed by the Company and the holders of not less than a majority of the Shares at the time such consent is sought. No failure to exercise, and no delay in exercising, any right, power or privilege under this Subscription Agreement shall operate as a waiver, nor shall any single or partial exercise of any right, power or privilege hereunder preclude the exercise of any other right, power or privilege. No waiver of any breach of any provision shall be deemed to be a waiver of any proceeding or succeeding breach of the same or any other provision, nor shall any waiver be implied from any course of dealing between the parties. No extension of time for performance of any obligations or other acts hereunder or under any other agreement shall be deemed to be an extension of the time for performance of any other obligations or any other acts. The rights and remedies of the parties under this Subscription Agreement are in addition to all other rights and remedies, at law or equity, that they may have against each other.

j. No Impairment. At all times after the date hereof, the Company will not take or permit any action, or cause or permit any subsidiary to take or permit any action that materially impairs or adversely affects the rights of the Subscribers under the this Agreement or any of the other Offering Documents.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Company has executed this Subscription Agreement as of the date first written above.

BIOPHARMX CORPORATION

By: /s/ James Pekarsky
Name: James Pekarsky
Title: Chief Executive Officer

SIGNATURE PAGE TO SUBSCRIPTION AGREEMENT

INFORMATION IN RESPONSE TO THIS SECTION WILL BE KEPT STRICTLY CONFIDENTIAL

DOLLAR AMOUNT INVESTED: $1,000,000 UPON SIGNING, $2,000,000 UPON MEETING THE MILESTONE IN SECTION 3 (W)

NUMBER OF SHARES: 540,541 UPON SIGNING, 1,081,082 UPON MILESTONE IN SECTION 3 (W)

NUMBER OF WARRANTS: 270,27O UPON SIGNING

NAME IN WHICH SHARES AND WARRANT SHOULD BE ISSUED: KIP OVERSEAS EXPANSION PLATFORM FUND

AMOUNT INVESTED TO BE SENT VIA: **o Check (enclosed)** **x Wire**

Address Information

For individual subscribers this address should be the Subscriber's primary legal residence. For entities other than individual subscribers, please provide address information for the entities primary place of business. Information regarding a joint subscriber should be included in the column at right.

10F ASEM Tower, 517 Yeongdong-daero
Legal Address

Gangnam-gu, Seoul, 135-798 Republic of Korea
City, State, and Zip Code, Country

Legal Address

City, State, and Zip Code, Country

Alternate Address Information

Subscribers who wish to receive correspondence at an address other than the address listed above should complete the Alternate Address section on the following page.

N/A
Tax ID # or Social Security #

Tax ID # or Social Security #

AGREED AND SUBSCRIBED
This 24th day of October, 2014

By: /s/ Baek Yer Hyun
Name: Baek Yer Hyun
Title (if any):

KIP Overseas Expansion Platform Fund
Subscriber Name (Typed or Printed)

AGREED AND SUBSCRIBED
SIGNATURE OF JOINT SUBSCRIBER (if any)

This day of , 2014
By:
Name:
Title (if any):

Additional Subscriber Name (Typed or Printed)

ACCEPTED:

BIOPHARMX CORPORATION

By: /s/ James Pekarsky
Name: James Pekarsky
Title: Chief Executive Officer

Date of Acceptance: October 24, 2014

Alternate Address Information (if applicable)

Alternate Address for Correspondence	Alternate Address for Correspondence
City, State and Zip Code	City, State and Zip Code
Telephone	Telephone
Facsimile	Facsimile
Tax ID # or Social Security #	Tax ID # or Social Security #

CERTIFICATE OF SIGNATORY

(To be completed if the Shares are
being subscribed for by an entity)

I, Baek Yer Hyun , am the CEO of KIP Overseas Expansion Platform Fund (the "Entity").

I certify that I am empowered and duly authorized by the Entity to execute and carry out the terms of the Subscription Agreement and to purchase and hold the Shares, and certify further that the Subscription Agreement has been duly and validly executed on behalf of the Entity and constitutes a legal and binding obligation of the Entity.

IN WITNESS WHEREOF, I have set my hand this 24th day of October, 2014.

/s/ Baek Yer Hyun
(Signature)

EXHIBIT 21.1

SUBSIDIARY OF BIOPHARMX CORPORATION

As of December 31, 2014, BioPharmx Corporation's sole subsidiary was BioPharmx Inc., a Nevada corporation.

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EXHIBIT 23.1

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-201708) of BioPharmX Corporation of our report dated March 30, 2015 relating to the consolidated financial statements, which appears in this Annual Report on Form 10-K.

/s/ Burr Pilger Mayer, Inc.

San Jose, California
March 30, 2015

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EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002

I, James Pekarsky, certify that:

1. I have reviewed this annual report of BioPharmX Corporation on Form 10-K for the fiscal year ended December 31, 2014;

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. I am 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 my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me 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 my 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 my 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 most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of the annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my 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: March 30, 2015

/s/ JAMES PEKARSKY

James Pekarsky
Chief Financial Officer, Chief Executive Officer and Chairman of the Board of Directors
(Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer)

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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

In connection with the Annual Report of BioPharmX Corporation (the "Company") on Form 10-K for the fiscal year ended December 31, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, in the capacities and on the date indicated below, certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); 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: March 30, 2015

/s/ JAMES PEKARSKY

James Pekarsky
Chief Financial Officer, Chief Executive Officer and Chairman of the Board (Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer)

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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