

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

SCHEDULE 13D

Under the Securities Exchange Act of 1934

BioSante Pharmaceuticals, Inc.

(Name of Issuer)

Common Stock, Par Value \$.0001 Per Share

(Title of Class of Securities)

09065V 10 4

(CUSIP Number)

Stephen M. Simes
BioSante Pharmaceuticals, Inc.
175 Olde Half Day Road
Lincolnshire, IL 60069

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

August 13, 2001

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box: / /

1 NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (entities only)

Stephen M. Simes

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

Not Applicable

(a) / /

(b) / /

3 SEC USE ONLY

4 SOURCE OF FUNDS
Not Applicable

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) / /

6 CITIZENSHIP OR PLACE OF ORGANIZATION
USA

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7	SOLE VOTING POWER 3,630,606 (see Item 5)
	8	SHARED VOTING POWER 0
	9	SOLE DISPOSITIVE POWER 3,630,606 (see Item 5)
	10	SHARED DISPOSITIVE POWER 0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
3,630,606 (see Item 5)

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW 11 EXCLUDES CERTAIN SHARES / /
Not Applicable

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11
5.5%

14 TYPE OF REPORTING PERSON
IN

ITEM 1. SECURITY AND ISSUER.

This Statement on Schedule 13D relates to the common stock, par value \$.0001 per share, of BioSante Pharmaceuticals, Inc., a Delaware corporation. The address of the principal executive offices of BioSante is 175 Olde Half Day Road, Lincolnshire, IL 60069.

ITEM 2. IDENTITY AND BACKGROUND.

(a) This statement is filed by and on behalf of Stephen M. Simes.

(b) Mr. Simes' principal business address is 175 Olde Half Day Road, Lincolnshire, IL 60069.

(c) Mr. Simes is the Vice Chairman, President and Chief Executive Officer of BioSante. BioSante's business address is 175 Olde Half Day Road, Lincolnshire, IL 60069. BioSante is a developmental stage biopharmaceutical company.

(d) Mr. Simes has not, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) Mr. Simes has not, during the last five years, been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, United States federal or state securities laws or finding any violation with respect to such laws.

(f) Mr. Simes is a citizen of the United States of America.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

On August 13, 2001, in consideration for services rendered to BioSante and in lieu of his annual cash performance bonus, Mr. Simes received 125,000 shares of BioSante common stock pursuant to a stock bonus granted by BioSante's Board of Directors at a price of \$0.60 per share.

ITEM 4. PURPOSE OF TRANSACTION.

On August 13, 2001, in consideration for services rendered to BioSante and in lieu of his annual cash performance bonus, Mr. Simes received 125,000 shares of BioSante common stock pursuant to a stock bonus granted by BioSante's Board of Directors at a price of \$0.60 per share.

Mr. Simes may from time to time be granted additional shares of BioSante common stock as stock bonuses by BioSante's Board of Directors or may from time to time purchase shares of BioSante common stock, either in brokerage transactions, in the over-the-counter market or in privately negotiated transactions. Any decision to increase his holdings in BioSante will depend, however, upon numerous factors, including without limitation the price of the shares of BioSante common stock, the terms and conditions relating to their purchase and sale, the prospects and profitability of BioSante, general economic conditions and stock and money market conditions. At any time, Mr. Simes may also determine to dispose of some or all of his shares of BioSante common stock, depending upon various similar considerations.

Except as otherwise provided in this Item 4 and other than as to matters that Mr. Simes as Vice Chairman, President and Chief Executive Officer of BioSante may consider and discuss with other BioSante officers and board members from time to time, Mr. Simes does not have any present plans or proposals which relate to or would result in:

- o the acquisition by any person of additional securities of BioSante or the disposition of securities of BioSante;
- o an extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving BioSante;
- o a sale or transfer of a material amount of assets of BioSante;
- o any change in the present board of directors or management of BioSante, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board;
- o any material change in the present capitalization or dividend policy of BioSante;
- o any other material change in BioSante's business or corporate structure;
- o changes in BioSante's certificate of incorporation, bylaws or instruments corresponding thereto or other actions which may impede the acquisition of control of BioSante by any person;
- o causing a class of securities of BioSante to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association;
- o a class of equity securities of BioSante becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Securities Exchange Act of 1934, or
- o any action similar to any of those listed above.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER.

(a) 1. Amount beneficially owned: Mr. Simes' beneficial ownership includes: (1) 663,859 shares of BioSante common stock; (2) 2,779,247 shares of BioSante common stock issuable upon exercise of outstanding stock options which are exercisable within 60 days; and (3) 187,500 shares of BioSante common stock issuable upon exercise of outstanding warrants which are exercisable within 60 days.

2. Percent of class: 5.5%. The foregoing percentage is calculated based on the 62,834,133 shares of BioSante common stock reported to be outstanding by BioSante as of August 15, 2001.

- (b) Number of shares as to which Mr. Simes has:
- (i) Sole power to vote or to direct the vote..... 3,630,606
 - (ii) Shared power to vote or to direct the vote..... 0
 - (iii) Sole power to dispose or to direct the disposition of..... 3,630,606

(iv) Shared power to dispose or to direct the disposition of..... 0

(c) Other than the transaction described in Item 4 of this Schedule 13D, Mr. Simes has not effected any transactions in BioSante common stock during the past 60 days.

(d) Not applicable.

(e) Not applicable.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER.

In January 1998, BioSante entered into a letter agreement with Mr. Simes pursuant to which Mr. Simes serves as BioSante's Vice Chairman, President and Chief Executive Officer. The term of this agreement continues until December 31, 2003, after which time the term will be automatically extended for three additional years unless on or before October 1 immediately preceding the extension, either party gives written notice to the other of the termination of the agreement. Under this Agreement, Mr. Simes is entitled to receive an annual performance bonus of up to 50% of his then base salary if certain performance criteria are met. BioSante's Board of Directors has in the past paid this bonus in cash and in BioSante common stock. If Mr. Simes is terminated without cause or upon a change in control or if he terminates his employment for good reason, all of his options will become immediately exercisable and will remain exercisable for a period of one year (for the remainder of their term in the event of a change in control), and he will be entitled to a minimum severance payment of 12 months base salary. Exhibit 1 to this Schedule 13D is a copy of Mr. Simes' employment agreement with BioSante and is incorporated herein by this reference.

Mr. Simes holds stock options to purchase an aggregate of 3,570,313 shares of BioSante common stock at exercise prices between \$0.23 and \$0.40 per share. Exhibit 2 is a copy of a form of Mr. Simes' stock option agreement with BioSante and is incorporated herein by this reference.

In connection with BioSante's May 1999 private placement, BioSante entered into a Shareholders' Agreement, a Securities Purchase Agreement, Registration Rights Agreement and Warrants with the investors, which included Mr. Simes. Copies of these agreements are filed as exhibits to this Schedule 13D and are incorporated herein by this reference. The Shareholders' Agreement contains, among other things, a voting agreement with respect to the election of directors. Under the Subscription Agreement and Warrant, the holders of BioSante common stock and warrants purchased in BioSante's May 1999 private placement are entitled to certain registration rights under the Securities Act of 1933. If at any time after BioSante becomes listed on Nasdaq, the holders of a specified amount of these registrable shares request that BioSante file a registration statement covering the shares, BioSante will use commercially reasonable efforts to cause these shares to be registered.

In connection with BioSante's April 2001 private placement, BioSante entered into Subscription Agreements and Warrants with the investors, which included Mr. Simes. Copies of these agreements are filed as exhibits to this Schedule 13D and are incorporated herein by this reference. Under these agreements and warrants, BioSante agreed to use its reasonable best efforts to cause a registration statement to be filed and remain effective until the earlier of (1) the

sale of all the shares of BioSante common stock covered by the registration statement; or (2) such time as the selling stockholders named in the registration statement become eligible to resell the shares of BioSante common stock and the shares of BioSante common stock issuable upon exercise of warrants pursuant to Rule 144(k) under the Securities Act of 1933.

Except as described herein, there are no other contracts, arrangements, understandings or relationships between Mr. Simes and any other person with respect to any securities of BioSante.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS.

Exhibit No. -----	Description -----
1	Employment Agreement, dated January 21, 1998, between BioSante Pharmaceuticals, Inc. and Stephen M. Simes, as amended
2	Form of Incentive Stock Option Agreement, between BioSante Pharmaceuticals, Inc. and Stephen M. Simes
3	Securities Purchase Agreement, dated May 6, 1999, between BioSante Pharmaceuticals, Inc. and certain stockholders of BioSante Pharmaceuticals, Inc.
4	Shareholders' Agreement, dated May 6, 1999, between BioSante Pharmaceuticals, Inc., Avi Ben-Abraham, M.D. and certain shareholders of BioSante Pharmaceuticals, Inc.
5	Registration Rights Agreement, dated May 6, 1999, between BioSante Pharmaceuticals, Inc. and certain stockholders of BioSante Pharmaceuticals, Inc.
6	Form of Warrant issued in connection with May 1999 Private Placement
7	Form of Subscription Agreement in connection with the April 2001 Private Placement
8	Form of Warrant issued in connection with April 2001 Private Placement

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: August 22, 2001

/s/ Stephen M. Simes

Stephen M. Simes

EXHIBIT INDEX

Exhibit No. -----	Description -----	Method of Filing -----
1	Employment Agreement, dated January 21, 1998, between BioSante Pharmaceuticals, Inc. and Stephen M. Simes, as amended.....	Incorporated by reference to Exhibit 10.16 contained in BioSante's Registration Statement on Form 10-SB, as amended (File No. 0-28637)
2	Form of Incentive Stock Option Agreement, between BioSante Pharmaceuticals, Inc. and Stephen M. Simes.....	Filed herewith electronically
3	Securities Purchase Agreement, dated May 6, 1999, between BioSante Pharmaceuticals, Inc. and certain stockholders of BioSante Pharmaceuticals, Inc.	Incorporated by reference to Exhibit 10.14 contained in BioSante's Registration Statement on Form 10-SB, as amended (File No. 0-28637)

4	Shareholders' Agreement, dated May 6, 1999, between BioSante Pharmaceuticals, Inc., Avi Ben-Abraham, M.D. and certain shareholders of BioSante Pharmaceuticals, Inc.....	Incorporated by reference to Exhibit 10.12 contained in BioSante's Registration Statement on Form 10-SB, as amended (File No. 0-28637)
5	Registration Rights Agreement, dated May 6, 1999, between BioSante Pharmaceuticals, Inc. and certain stockholders of BioSante Pharmaceuticals, Inc.	Incorporated by reference to Exhibit 10.13 contained in BioSante's Registration Statement on Form 10-SB, as amended (File No. 0-28637)
6	Form of Warrant issued in connection with May 1999 Private Placement.....	Incorporated by reference to Exhibit 4.1 contained in BioSante's Registration Statement on Form 10-SB, as amended (File No. 0-28637)
7	Form of Subscription Agreement in connection with the April 2001 Private Placement.....	Incorporated by reference to Exhibit 10.20 contained in BioSante's Registration Statement on Form SB-2 (File No. 333-64218)
8	Form of Warrant issued in connection with April 2001 Private Placement.....	Incorporated by reference to Exhibit 4.2 contained in BioSante's Registration Statement on Form SB-2 (File No. 333-64218)

FORM OF INCENTIVE STOCK OPTION AGREEMENT

THIS AGREEMENT is entered into and effective as of this ____ day of _____, ____ (the "Date of Grant"), by and between BioSante Pharmaceuticals, Inc., a Delaware corporation (the "Company"), and _____ (the "Optionee").

A. The Company has adopted the BioSante Pharmaceuticals, Inc. 1998 Stock Option Plan (the "Plan") authorizing the Board of Directors of the Company, or a committee as provided for in the Plan (the Board or such a committee to be referred to as the "Committee"), to grant incentive stock options to employees of the Company and its Subsidiaries (as defined in the Plan).

B. The Company desires to give the Optionee an inducement to acquire a proprietary interest in the Company and an added incentive to advance the interests of the Company by granting to the Optionee an option to purchase shares of common stock of the Company pursuant to the Plan.

Accordingly, the parties agree as follows:

1. GRANT OF OPTION.

The Company hereby grants to the Optionee the right, privilege, and option (the "Option") to purchase _____ (_____) shares (the "Option Shares") of the Company's common stock, no par value (the "Common Stock"), according to the terms and subject to the conditions hereinafter set forth and as set forth in the Plan. Subject to Section 10 of this Agreement, the Option is intended to be an "incentive stock option," as that term is used in Section 422 of the Internal Revenue Code of 1986, as amended (the "Code").

2. OPTION EXERCISE PRICE.

The per share price to be paid by Optionee in the event of an exercise of the Option will be \$_____.

3. DURATION OF OPTION AND TIME OF EXERCISE.

3.1 INITIAL PERIOD OF EXERCISABILITY. The Option will become exercisable with respect to the Option Shares in _____ installments. The following table sets forth the initial dates of exercisability of each installment and the number of Option Shares as to which this Option will become exercisable on such dates:

INITIAL DATE OF EXERCISABILITY

NUMBER OF OPTION SHARES AVAILABLE FOR EXERCISE

The foregoing rights to exercise this Option will be cumulative with respect to the Option Shares becoming exercisable on each such date, but in no event will this Option be exercisable after, and this Option will become void and expire as to all unexercised Option Shares at, 5:00 p.m. (Lincolnshire, Illinois time) on _____, ____ (the "Time of Termination").

3.2 TERMINATION OF EMPLOYMENT.

(a) TERMINATION DUE TO DEATH, DISABILITY OR RETIREMENT.

(i) In the event the Optionee's employment with the Company and all Subsidiaries is terminated by reason of death or Disability, this Option will remain exercisable, to the extent exercisable as of the date of such termination, for a period of six months after such termination (but in no event after the Time of Termination).

(ii) In the event the Optionee's employment with the Company and all Subsidiaries is terminated by reason of Retirement, this Option will remain exercisable, to the extent exercisable as of the date of such termination, for a period of three months after such termination (but in no event after the Time of Termination).

(b) TERMINATION FOR REASONS OTHER THAN DEATH, DISABILITY OR RETIREMENT. In the event that the Optionee's employment with the Company and all Subsidiaries is terminated for any reason other than death, Disability or Retirement, or the Optionee is in the employ of a Subsidiary and the Subsidiary ceases to be a Subsidiary of the Company (unless the Optionee continues in the employ of the Company or another Subsidiary), all rights of the Optionee under the Plan and this Agreement will immediately terminate without notice of any kind, and this Option will no longer be exercisable; provided, however, that if such termination is due to any reason other than termination by the Company or any Subsidiary for "cause" (as defined in the Plan), this Option will remain exercisable to the extent exercisable as of such termination for a period of three months after such termination (but in no event after the Time of Termination).

3.3 CHANGE IN CONTROL. If a Change in Control (as defined in the Plan) of the Company occurs, this Option will become immediately exercisable in full and will remain exercisable until the Time of Termination, regardless of whether the Optionee remains in the employ of the Company or any Subsidiary.

4. MANNER OF OPTION EXERCISE.

4.1 NOTICE. This Option may be exercised by the Optionee in whole or in part from time to time, subject to the conditions contained in the Plan and in this Agreement, by delivery, in person, by facsimile or electronic transmission or through the mail, to the Company at its principal executive office in Lincolnshire, Illinois (Attention: Chief Financial Officer), of a written notice of exercise. Such notice must be in a form satisfactory to the Committee, must identify the Option, must specify the number of Option Shares with respect to which the Option

is being exercised, and must be signed by the person or persons so exercising the Option. Such notice must be accompanied by payment in full of the total purchase price of the Option Shares purchased. In the event that the Option is being exercised, as provided by the Plan and Section 3.2 above, by any person or persons other than the Optionee, the notice must be accompanied by appropriate proof of right of such person or persons to exercise the Option. As soon as practicable after the effective exercise of the Option, the Optionee will be recorded on the stock transfer books of the Company as the owner of the Option Shares purchased, and the Company will deliver to the Optionee one or more duly issued stock certificates evidencing such ownership.

4.2 PAYMENT. At the time of exercise of this Option, the Optionee must pay the total purchase price of the Option Shares to be purchased entirely in cash (including a check, bank draft or money order, payable to the order of the Company); provided, however, that the Committee, in its sole discretion, may allow such payment to be made, in whole or in part, by tender of a promissory note (on terms acceptable to the Committee in its sole discretion) or a Broker Exercise Notice or Previously Acquired Shares (as such terms are defined in the Plan), or by a combination of such methods. In the event the Optionee is permitted to pay the total purchase price of this Option in whole or in part with Previously Acquired Shares, the value of such shares will be equal to their Fair Market Value on the date of exercise of this Option.

5. RIGHTS OF OPTIONEE; TRANSFERABILITY.

5.1 EMPLOYMENT. Nothing in this Agreement will interfere with or limit in any way the right of the Company or any Subsidiary to terminate the employment of the Optionee at any time, nor confer upon the Optionee any right to continue in the employ of the Company or any Subsidiary at any particular position or rate of pay or for any particular period of time.

5.2 RIGHTS AS A SHAREHOLDER. The Optionee will have no rights as a shareholder unless and until all conditions to the effective exercise of this Option (including, without limitation, the conditions set forth in Sections 4 and 6 of this Agreement) have been satisfied and the Optionee has become the holder of record of such shares. No adjustment will be made for dividends or distributions with respect to this Option as to which there is a record date preceding the date the Optionee becomes the holder of record of such shares, except as may otherwise be provided in the Plan or determined by the Committee in its sole discretion.

5.3 RESTRICTIONS ON TRANSFER. Except pursuant to testamentary will or the laws of descent and distribution or as otherwise expressly permitted by the Plan, no right or interest of the Optionee in this Option prior to exercise may be assigned or transferred, or subjected to any lien, during the lifetime of the Optionee, either voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise. The Optionee will, however, be entitled to designate a beneficiary to receive this Option upon such Optionee's death, and, in the event of the Optionee's death, exercise of this Option (to the extent permitted pursuant to Section 3.2(a) of this Agreement) may be made by the Optionee's legal representatives, heirs and legatees.

5.4 BREACH OF CONFIDENTIALITY OR NON-COMPETE AGREEMENTS. Notwithstanding anything in this Agreement or the Plan to the contrary, in the event that the Optionee materially breaches the terms of any confidentiality or non-compete agreement entered into with the

Company or any Subsidiary, whether such breach occurs before or after termination of the Optionee's employment with the Company or any Subsidiary, the Committee in its sole discretion may immediately terminate all rights of the Optionee under the Plan and this Agreement without notice of any kind.

6. SECURITIES LAW AND OTHER RESTRICTIONS.

Notwithstanding any other provision of the Plan or this Agreement, the Company will not be required to issue, and the Optionee may not sell, assign, transfer or otherwise dispose of, any Option Shares, unless (a) there is in effect with respect to the Option Shares a registration statement under the Securities Act of 1933, as amended, and any applicable state or foreign securities laws or an exemption from such registration, and (b) there has been obtained any other consent, approval or permit from any other regulatory body which the Committee, in its sole discretion, deems necessary or advisable. The Company may condition such issuance, sale or transfer upon the receipt of any representations or agreements from the parties involved, and the placement of any legends on certificates representing Option Shares, as may be deemed necessary or advisable by the Company in order to comply with such securities law or other restrictions.

7. WITHHOLDING TAXES.

The Company is entitled to (a) withhold and deduct from future wages of the Optionee (or from other amounts that may be due and owing to the Optionee from the Company), or make other arrangements for the collection of, all legally required amounts necessary to satisfy any federal, state or local withholding and employment-related tax requirements attributable to the Option, including, without limitation, the grant or exercise of this Option or a disqualifying disposition of any Option Shares, or (b) require the Optionee promptly to remit the amount of such withholding to the Company before acting on the Optionee's notice of exercise of this Option. In the event that the Company is unable to withhold such amounts, for whatever reason, the Optionee agrees to pay to the Company an amount equal to the amount the Company would otherwise be required to withhold under federal, state or local law.

8. ADJUSTMENTS.

In the event of any reorganization, merger, consolidation, recapitalization, liquidation, reclassification, stock dividend, stock split, combination of shares, rights offering, divestiture or extraordinary dividend (including a spin-off), or any other similar change in the corporate structure or shares of the Company, the Committee (or, if the Company is not the surviving corporation in any such transaction, the board of directors of the surviving corporation), in order to prevent dilution or enlargement of the rights of the Optionee, will make appropriate adjustment (which determination will be conclusive) as to the number and kind of securities or other property (including cash) subject to, and the exercise price of, this Option.

9. SUBJECT TO PLAN.

The Option and the Option Shares granted and issued pursuant to this Agreement have been granted and issued under, and are subject to the terms of, the Plan. The terms of the Plan are incorporated by reference in this Agreement in their entirety, and the Optionee, by execution

of this Agreement, acknowledges having received a copy of the Plan. The provisions of this Agreement will be interpreted as to be consistent with the Plan, and any ambiguities in this Agreement will be interpreted by reference to the Plan. In the event that any provision of this Agreement is inconsistent with the terms of the Plan, the terms of the Plan will prevail.

10. INCENTIVE STOCK OPTION LIMITATIONS.

10.1 LIMITATION ON AMOUNT. To the extent that the aggregate Fair Market Value (determined as of the date of grant) of the shares of Common Stock with respect to which incentive stock options (within the meaning of Section 422 of the Code) are exercisable for the first time by the Optionee during any calendar year (under the Plan and any other incentive stock option plans of the Company or any subsidiary or parent corporation of the Company (within the meaning of the Code)) exceeds \$100,000 (or such other amount as may be prescribed by the Code from time to time), such excess incentive stock options will be treated as non-statutory stock options in the manner set forth in the Plan.

10.2 LIMITATION ON EXERCISABILITY; DISPOSITION OF OPTION SHARES. Any incentive stock option that remains unexercised more than one year following termination of employment by reason of Disability or more than three months following termination for any reason other than death or Disability will thereafter be deemed to be a non-statutory stock option. In addition, in the event that a disposition (as defined in Section 424(c) of the Code) of shares of Common Stock acquired pursuant to the exercise of an incentive stock option occurs prior to the expiration of two years after its date of grant or the expiration of one year after its date of exercise (a "disqualifying disposition"), such incentive stock option will, to the extent of such disqualifying disposition, be treated in a manner similar to a non-statutory stock option.

10.3 NO REPRESENTATION OR WARRANTY. Section 422 of the Code and the rules and regulations thereunder are complex, and neither the Plan nor this Agreement purports to summarize or otherwise set forth all of the conditions that need to be satisfied in order for this Option to qualify as an incentive stock option. In addition, this Option may contain terms and conditions that allow for exercise of this Option beyond the periods permitted by Section 422 of the Code, including, without limitation, the periods described in Section 10.2 of this Agreement. Accordingly, the Company makes no representation or warranty regarding whether the exercise of this Option will qualify as the exercise of an incentive stock option, and the Company recommends that the Optionee consult with the Optionee's own advisors before making any determination regarding the exercise of this Option or the sale of the Option Shares.

11. MISCELLANEOUS.

11.1 BINDING EFFECT. This Agreement will be binding upon the heirs, executors, administrators and successors of the parties to this Agreement.

11.2 GOVERNING LAW. This Agreement and all rights and obligations under this Agreement will be construed in accordance with the Plan and governed by the laws of the State of Delaware, without regard to conflicts of laws provisions. Any legal proceeding related to this Agreement will be brought in an appropriate Illinois court, and the parties to this Agreement consent to the exclusive jurisdiction of the court for this purpose.

11.3 ENTIRE AGREEMENT. This Agreement and the Plan set forth the entire agreement and understanding of the parties to this Agreement with respect to the grant and exercise of this Option and the administration of the Plan and supersede all prior agreements, arrangements, plans and understandings relating to the grant and exercise of this Option and the administration of the Plan.

11.4 AMENDMENT AND WAIVER. Other than as provided in the Plan, this Agreement may be amended, waived, modified or canceled only by a written instrument executed by the parties to this Agreement or, in the case of a waiver, by the party waiving compliance.

The parties to this Agreement have executed this Agreement effective the day and year first above written.

BIOSANTE PHARMACEUTICALS, INC.

By _____

Its _____

By execution of this Agreement, the Optionee acknowledges having received a copy of the Plan.

OPTIONEE

(Signature)

(Name and Address)

