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

SCHEDULE 13D/A
(Amendment No. 5)

Under the Securities Exchange Act of 1934

Targeted Medical Pharma, Inc.

(Name of Issuer)

Common Stock, par value $.001 per share

(Title of Class of Securities)

876140104

(CUSIP Number)

Amir Heshmatpour
9595 Wilshire Blvd.
Suite 700
Beverly Hills, CA 90212
(310) 492-9898

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

July 20, 2012

(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 §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. [ ]

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 876140104

1	Name of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only) AFH Holding & Advisory, LLC	
2	Check the Appropriate Box if a Member of a Group (See Instructions) (a) (b)	
3	SEC Use Only	
4	Source of Funds (See Instructions) (See item 3) OO	
5	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)	
6	Citizenship or Place of Organization Delaware	
Number of Shares Beneficially Owned by Each Reporting Person With	7 Sole Voting Power	2,108,558 (1) (See Items 4 and 5)
	8 Shared Voting Power	
	9 Sole Dispositive Power	2,108,558 (1) (See Items 4 and 5)
	10 Shared Dispositive Power	
11	Aggregate Amount Beneficially Owned by Each Reporting Person	2,108,558 (1) (See Items 4 and 5)
12	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)	
13	Percent of Class Represented by Amount in Row (11)	9.56% (2)

(1)Represents 2,108,558 shares of common stock owned by AFH Holding & Advisory, LLC ("AFH Advisory"). Mr. Amir F. Heshmatpour is the sole owner of AFH Advisory and has sole voting and investment control over the securities owned of record by Advisory. Therefore, he may be deemed a beneficial owner of the 2,108,558 shares of common stock owned by AFH Advisory.

(2) Based on 22,049,976 shares of common stock outstanding as of November 1, 2012.

CUSIP No. 876140104

1	Name of Reporting Persons. I.R.S. Identification Nos. of above persons (entities only) Amir F. Heshmatpour	
2	Check the Appropriate Box if a Member of a Group (See Instructions) (a) (b)	
3	SEC Use Only	
4	Source of Funds (See Instructions) (See item 3) OO	
5	Check if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e)	
6	Citizenship or Place of Organization United States of America	
Number of Shares Beneficially Owned by Each Reporting Person With	7 Sole Voting Power 2,108,558 (1) (See Items 4 and 5)	
	8 Shared Voting Power	
	9 Sole Dispositive Power 2,108,558 (1) (See Items 4 and 5)	
	10 Shared Dispositive Power	
11	Aggregate Amount Beneficially Owned by Each Reporting Person . 2,108,558 (2)	
12	Check if the Aggregate Amount in Row (11) Excludes Certain Shares (See Instructions)	
13	Percent of Class Represented by Amount in Row (11) 9.56% (2)	
14	Type of Reporting Person (See Instructions) IN	

(1)Represents 2,108,558 shares of common stock owned by AFH Advisory. Mr. Amir F. Heshmatpour is the sole owner of AFH Advisory and has sole voting and investment control over the securities owned of record by AFH Advisory. Therefore, he may be deemed a beneficial owner of the 2,108,558 shares of common stock owned by AFH Advisory.

(2) Based on 22,049,976 shares of common stock outstanding as of November 1, 2012.

Item 1. Security and Issuer.

This Schedule 13D/A relates to the common stock, par value $.001 per share (the "Common Stock") of Targeted Medical Pharma, Inc., whose principal executive offices is located at 2980 Beverly Glen Circle, Suite 301, Los Angeles, CA 90077 (the "Company").

Item 2. Identity and Background.

(a) The names of the reporting persons are (i) AFH Holding & Advisory, LLC ("AFH Advisory") and (ii) Amir F. Heshmatpour (the "Reporting Persons").

(b) The business address of the Reporting Persons is 9595 Wilshire Blvd, Beverly Hills, CA 90212.

(c) Amir F. Heshmatpour is the sole owner of AFH Advisory.

(d) During the last five years the Reporting Persons have not been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

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

(f) (i) AFH Advisory was incorporated in Delaware and (ii) Amir F. Heshmatpour is a citizen of the U.S.A.

Item 3. Source and Amount of Funds or Other Consideration.

Mr. Heshmatpour is the sole owner of AFH Advisory and has sole voting and investment control over the Common Stock owned by AFH Advisory. As of the date hereof, AFH Advisory beneficially owns 2,108,558 shares of Common Stock. Therefore, Mr. Heshmatpour may be deemed to beneficially own the 2,108,558 shares of Common Stock beneficially owned by AFH Advisory.

Item 4. Purpose of Transaction.

Effective July 20, 2012, the Company and AFH Advisory entered into a letter agreement (the "Letter Agreement"), which was supplemented July 25, 2012, which details the parties' agreement and supersedes all earlier agreements between the parties. The parties agreed as follows:

1. **Form 211.** AFH Advisory shall assist and advise the Company and its affiliates in facilitating the quotation of the Company's shares of common stock on the OTC Bulletin Board by identifying and helping the Company to engage the necessary market maker to file a Form 211, or 15c2-11 Exemption Form as applicable, with the Financial Industry Regulatory Authority.

2. **No Share Forfeiture and Continuing Registration Rights.** AFH Advisory has, and shall continue to have, normal and customary piggyback registration rights with respect to its shares of common stock, as further set forth in the Registration Rights Agreement, dated January 31, 2011. AFH Advisory and its affiliates will no longer be required to forfeit shares as a result of the failure to complete a financing.

3. **Reimbursement of Costs.** AFH Advisory is entitled to a reimbursement of $585,448 of expenses incurred on behalf of the Company in connection with the Business Combination, and related matters (the " Expense Reimbursement Amount"). Concurrently with the execution of this New Agreement, the Company shall issue to AFH Advisory a Secured Convertible Promissory Note in the principal amount equal to the Expense Reimbursement Amount with interest payable quarterly in arrears at a rate of 8.5% per annum. A Security Agreement was also entered into with AFH Advisory effective July 20, 2012 assigning certain assets of the Company to AFH Advisory as collateral for the Promissory Note. The $585,448 may be offset by $250,000 or any remaining portion thereof relating to payments advanced to AFH Advisory by the Company in connection with a contemplated asset-based loan.

4. **Warrants.** In partial consideration for its services in connection with the Business Combination, upon the approval of the Company's Board of Directors, the Company shall issue to AFH Advisory five-year warrants to purchase 1,063,981 shares of common stock of the Company, at an exercise price of $1.00 per share. If and whenever the Company shall either (i) reduce, or be deemed to have reduced, the exercise price or conversion price of any of its outstanding warrants to purchase shares of Common Stock of the Company, or any other security exercisable for, or convertible into, shares of Common Stock of the Company, to a price lower than the Exercise Price of the Warrant in effect immediately prior to the time of such reduction, or (ii) issues or sells, or is deemed to have issued or sold, any additional warrants to purchase shares of Common Stock of the Company, or any other security exercisable for, or convertible into, shares of Common Stock of the Company, with a price lower than the Exercise Price of the Warrant in effect immediately prior to the time of such issuance or sale, then, and in each such case, the then-existing Exercise Price of the Warrant shall be reduced to a price equal to the exercise price or conversion price of such amended or newly-issued or sold security.

5. **Board Oversight.** For a period of two (2) years following the date of the Letter Agreement, AFH Advisory shall have a right to disapprove two nominees for director chosen by the board of directors.

6. **Advisory Role.** For a period of two (2) years from the date of the Letter Agreement, AFH Advisory has the non-exclusive right to act as advisor to the Company on any proposed financings and/or mergers and acquisitions, to be separately engaged on a deal by deal basis at the Company's discretion with respect to any specific transaction, the Company may choose not to retain AFH Advisory as an advisor.

On September 21, 2012, AFH Advisory transferred Warrants to purchase 25,000 shares of the Company's common stock to a non-affiliate of the Company.

On October 19, 2012, AFH Advisory exercised Warrants to purchase 831,185 shares of the Company's Common Stock on a cashless basis.

Item 5. Interest in Securities of the Issuer.

(a) For purposes of Rule 13d-3 of the Act, the aggregate number and percentage of the Common Stock that may be deemed to be beneficially owned by each Reporting Person is as follows:

(i) Aggregate number of shares of Common Stock that may be deemed beneficially owned by AFH Advisory: 2,108,558
Percentage: 9.56%

(ii) Aggregate number of shares of Common Stock that may be deemed beneficially owned by Amir Heshmatpour: 2,108,558
Percentage: 9.56%

(b) For purposes of Rule 13d-3 of the Act, the aggregate number of shares of Common Stock over which each Reporting Person may be deemed to have the power to vote and the power to dispose is as follows:

(i) AFH Advisory:
1. Sole power to vote or to direct vote: 2,108,558
2. Shared power to vote or to direct vote: -0-
3. Sole power to dispose or to direct the disposition: 2,108,558
4. Shared power to dispose or to direct the disposition -0-

(ii) Amir F. Heshmatpour
1. Sole power to vote or to direct vote: 2,108,558
2. Shared power to vote or to direct vote: -0-
3. Sole power to dispose or to direct the disposition: 2,108,558
4. Shared power to dispose or to direct the disposition -0-

(c) Except as described in Item 3 and 4 of this Statement, there have been no transactions effected with respect to the Common Stock within the past 60 days of the date hereof by the Reporting Persons.

(d) No person(s) other than the Reporting Persons is known to have the right to receive or the power to direct the receipt of dividends from, or proceeds from the sale of, the shares of Common Stock beneficially owned by
the Reporting Persons.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

The information disclosed in Item 3 is incorporated herein by this reference.

Item 7. Material to Be Filed as Exhibits.

10.1	Letter Agreement, dated July 20, 2012, by and between Targeted Medical Pharma, Inc. and AFH Holding and Advisory, LLC
10.2	Letter Supplement, dated July 25, 2012 by and between Targeted Medical Pharma, Inc. and AFH Holding and Advisory, LLC
10.3	Amendment 2 to Agreement and Plan of Reorganization, dated August 13, 2012, by and between Targeted Medical Pharma, Inc., AFH Holding and Advisory, LLC, William E. Shell, MD, the Estate of Elizabeth Charuvastra and Kim Giffoni
10.4	Secured Convertible Promissory Note, dated July 20, 2012, issued by Targeted Medical Pharma, Inc. in favor of AFH Holding and Advisory, LLC
10.5	Security Agreement, dated July 20, 2012, by and between Targeted Medical Pharma, Inc. and AFH Holding and Advisory, LLC

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.

November 1, 2012

Amir Heshmatpour

Amir Heshmatpour

AFH Holding & Advisory, LLC

By: Amir Heshmatpour

Amir Heshmatpour
Managing Director

Exhibit 10.1

Targeted Medical Pharma, Inc.
2980 Beverly Glen Circle
Suite 301
Los Angeles, California 9077

July 20, 2012

AFH Holding and Advisory, LLC
9595 Wilshire Boulevard
Suite 700
Beverly Hills, California 90212

Gentlemen:

Reference is hereby made to the Letter of Intent, dated January 25, 2011, by and between Targeted Medical Pharma, Inc. (" the Company") and AFH Holding and Advisory, LLC ("AFH Advisory"), as amended on October 6, 2011 (the "Letter of Intent") (Except as otherwise set forth herein, capitalized terms used and not otherwise defined herein are used as defined in the Letter of Intent). Pursuant to the Letter of Intent, among other things, the Business Combination was consummated, and the Business Combination Shares were issued, as of January 31, 2011. The parties acknowledge and agree that the Offering, and certain related transactions, contemplated by the Letter of Intent have not been consummated, and the registration statement relating to the Offering, which was filed with the Securities and Exchange Commission on February 14, 2011, has been withdrawn by the Company. The parties desire to set forth their agreement with respect to the outstanding obligations under the Letter of Intent, and related matters and, in accordance therewith, this agreement (the "New Agreement") supersedes the Letter of Intent in its entirety and sets forth the revised agreement of the signatories hereto, as follows:

1. **Form 211.** AFH Holding and Advisory LLC ("AFH Advisory") shall assist and advise the Company and its affiliates in facilitating the quotation of the Company's shares of common stock on the OTC Bulletin Board by identifying and helping the Company to engage the necessary market maker to file a Form 211, or 15c2-11 Exemption Form, as applicable, with the Financial Industry Regulatory Authority (the " Form 211 Filing").

2. **Registration Rights.** AFH Advisory has, and shall continue to have, normal and customary piggyback registration rights with respect to the Advisor Shares, as further set forth in the Registration Rights Agreement, dated January 31, 2011, which was entered into in connection with the Business Combination. Further, the parties acknowledge that the Advisor Shares are currently eligible for resale pursuant to Rule 144 under the Securities Act of 1933, as amended ("Rule 144"), and the Company agrees to use its best efforts to assist AFH Advisory in effecting any sales of the Advisor Shares pursuant to Rule 144, or other available exemption under the Securities Act of 1933, including without limitation, by delivering an opinion of counsel to the Company's transfer agent in form, substance and scope customary for opinions of counsel in comparable transactions.

3. **Reimbursement of Costs.** AFH Advisory is entitled to a reimbursement of $585,448 of expenses incurred on behalf of the Company in connection with the Business Combination, and related matters (the "Expense Reimbursement Amount"). Concurrently with the execution of this New Agreement, the Company shall issue to AFH Advisory a Secured Convertible Promissory Note in the principal amount equal to the Expense Reimbursement Amount, with interest payable quarterly in arrears at a rate of 8.5% per annum, in substantially the form attached hereto as Exhibit A (the "Note"), pursuant to which, among other things: (a) AFH Advisory shall be entitled, in its sole discretion, to either be repaid any amounts due under the Note in cash, or to convert such amounts, or any portion thereof, into additional shares of common stock of the Company(" Conversion Shares") at the Conversion Price (as defined in the Note) as further set forth in Section 2.1 of the Note, (b) AFH Advisory may, in its sole discretion, elect to be repaid any amounts due under the Note out of the proceeds of any financings completed by the Company, as further set forth Section 1.2 of the Note, (c) AFH Advisory shall have normal and customary piggyback registration rights with respect to the Conversion Shares, as further set forth in Sections 6.1 through 6.3 of the Note , (d) the principal amount of the Note shall be reduced by an amount equal to the difference between the $250,000 the Company previously advanced to AFH Advisory in connection with the Receivables Transaction (as defined in the Note) and the amount of expenses actually incurred in connection with such Receivables Transaction, as further set forth in Section 1.3 of the Note, and (e) all obligations of the Company under the Note are secured by a security interest in and to certain assets of the Company, as further set forth in Section 3.1 of the Note, and in the Security Agreement by and between the parties, dated of even date herewith, in substantially the form attached hereto as Exhibit B.

4. **Warrants.** In partial consideration for its services in connection with the Business Combination, among other things, concurrently with the execution of this New Agreement, the Company shall issue to AFH Advisory five-year warrants to purchase 1,063,981 shares of common stock of the Company (the "Warrant Stock"), at an exercise price of $1.00 per share (the "Exercise Price"), in substantially the form attached hereto as Exhibit C (the "Warrant"), pursuant to which, among other things: (a) AFH Advisory shall have normal and customary piggyback registration rights with respect to the Warrant Stock, as further set forth in Section 10 of the Warrant, (b) AFH Advisory may elect to exercise the Warrant, or any portion thereof, on a cashless basis, as further set forth in Section 1(b) of the Warrant, and (c) the Exercise Price shall be adjusted whenever the Company reduces the exercise price of any existing warrants (or any other security exercisable for, or convertible into, shares of common stock of the Company), or issues additional warrants (or any other security exercisable for, or convertible into, shares of common stock of the Company), as further set forth in Section 2(c) of the Warrant.

5. **Board Oversight.** For a period of two (2) years following the date hereof, AFH Advisory shall have a "board oversight right," pursuant to which, among other things, it shall have the right to approve two members of the Company's board of directors, such approval not to be unreasonably withheld.

6. **Advisory Role.** For a period of two (2) years from the date hereof, AFH Advisory shall have the non-exclusive right to act as advisor to the Company on any proposed financings and/or mergers and acquisitions, to be separately engaged on a deal by deal basis.

7. **Confidentiality.** Each party agrees to keep confidential all information obtained by it from the other party concerning the other party or any of its business transactions, to return to the other party any documents or copies thereof received or obtained by it from the other party. Further, except as and to the extent required by law, without the prior written consent of the other party, neither party shall make any public statement, common or communication with respect to, or otherwise disclose or permit the disclosure of, any discussions between the parties and/or relating to either party. If a party is required by law to make any such disclosure, such party must first provide to the other party the content of the proposed disclosure, the reasons that such disclosure is required by law, and the time and place the disclosure will be made.

8. **Termination.** This New Agreement may be terminated by: (i) the mutual written consent of the Company and AFH Advisory; or (ii) upon written election of either party upon a material breach of any terms or conditions of this New Agreement and failure to cure such breach within thirty (30) days of receipt of written notice by the terminating party.

9. **Binding Provisions**. The provisions set forth in this New Agreement are intended to and do constitute the binding and legal agreement between the parties, enforceable against the parties in accordance with its terms. Except as otherwise set forth herein, the parties have no further rights or obligations with respect to the Sections in the Letter of Intent entitled "Offering", "Sale of Affiliate Shares", "Company Financial Representation", "Make Good Provision", "Right to Future Financings", "Right to Approve Management", "Right to Appoint Directors; Right to Approve Independent Directors", "Right to Approve Professionals", "Lock-Up Agreement", and "Investor Relations Firm", and references to such Sections elsewhere in the Letter of Intent. In the event of any inconsistency between this New Agreement and the Letter of Intent, the terms of this New Agreement shall control.

10. **Governing Law, Dispute Resolution and Jurisdiction**. This New Agreement shall be governed by and construed in accordance with the laws of California. Any controversy arising out of or concerning this New Agreement shall be determined by arbitration upon the initiation of either party, and shall be settled and conclusively resolved by and under the rules of the American Arbitration Association. The cost of such arbitrator shall initially be borne equally by the parties provided, however, that the prevailing party in any such arbitration shall be entitled to recover, in addition to any other appropriate amounts, its reasonable costs and expenses associated with such arbitration, including the cost of such arbitrator and reasonable attorney's fees. The arbitration shall be conducted in Los Angeles, California and the written decision of the arbitrator shall be final and binding on the parties and enforceable in any court of competent jurisdiction. This New Agreement shall be governed by and construed in accordance with the laws of the State of California without giving effect to the conflicts of laws principles thereof. All disputes, controversies or claims arising out of or relating to this New Agreement shall be brought in Federal Court in California or in the Superior Court located in Los Angeles, California. The parties hereby irrevocably waive any objection to jurisdiction and venue or any action instituted hereunder and shall not assert any defense based on lack of jurisdiction or venue or based upon *forum non conveniens*. The parties agree to submit to the *in personam* jurisdiction of such courts and hereby irrevocably waive trial by jury. The prevailing party in any such dispute shall be entitled to recover from the other party its reasonable attorneys' fees, costs and expenses.

11. **Counterparts.** This New Agreement may be signed in two or more counterparts, each of which shall constitute an original, and all of which together shall constitute one and the same agreement. The exchange of copies of this New Agreement and of signature pages by facsimile transmission or by email transmission in portable digital format, or similar format, shall constitute effective execution and delivery of such instrument(s) as to the parties and may be used in lieu of the original for all purposes. Signatures of the parties transmitted by facsimile or by email transmission in portable digital format, or similar format, shall be deemed to be their original signatures.

Please acknowledge your acceptance of your agreement to the foregoing by signing and returning to the undersigned as soon as possible a counterpart of this Amendment.

Very truly yours,

TARGETED MEDICAL PHARMA, INC.

By: /s/ William E. Shell
Name: William E. Shell, MD
Title: Chief Executive Officer

ACCEPTED AND AGREED TO AS OF JULY 25, 2012:

AFH Holding and Advisory, LLC

By: /s/ Amir F. Heshmatpour
Name: Amir F. Heshmatpour
Title: Managing Director

Exhibit 10.2

Targeted Medical Pharma, Inc.
2980 Beverly Glen Circle
Suite 301
Los Angeles, California 9077

July 25, 2012

AFH Holding and Advisory, LLC
9595 Wilshire Boulevard
Suite 700
Beverly Hills, California 90212

Gentlemen:

Reference is hereby made to the letter agreement (the "Letter Agreement"), dated as of the date hereof, by and between Targeted Medical Pharma, Inc. (the "Company") and AFH Holding and Advisory, LLC ("AFH Advisory"). The parties desire to clarify the Letter Agreement and clarify their understanding of certain provisions of the Letter Agreement as follows:

1. The parties acknowledge that their understanding of Paragraph 5 ("*Board Oversight*") is as follows:

   For a period of two (2) years from the date of the Letter Agreement, AFH has the right to disapprove of two nominees for director chosen by the board of directors of the Company.

2. The parties acknowledge that their understanding of Paragraph 6 ("*Advisory Role*") is as follows:

   With respect to any specific financing or merger/acquisition the Company engages in during this two-year period, the Company may choose not to retain AFH as an advisor.

Please acknowledge your acceptance of your agreement to the foregoing by signing and returning to the undersigned as soon as possible a counterpart of this letter agreement.

Very truly yours,

TARGETED MEDICAL PHARMA, INC.

By: /s/ William E. Shell
Name: William E. Shell, MD
Title: Chief Executive Officer

ACCEPTED AND AGREED TO AS OF JULY 25, 2012:

AFH Holding and Advisory, LLC

By: /s/ Amir F. Heshmatpour
Name: Amir F. Heshmatpour
Title: Managing Director

Exhibit 10.3

AMENDMENT NO. 2 TO AGREEMENT AND PLAN OF REORGANIZATION

AMENDMENT NO. 2 TO THE AGREEMENT AND PLAN OF REORGANIZATION (this "Amendment") made effective as of August 13, 2012 by and between AFH Holding and Advisory, LLC ("AFH"), Targeted Medical Pharma, Inc. ("Targeted"), William E. Shell, MD ("Shell"), the Estate of Elizabeth Charavustra (the "Estate") and Kim Giffoni ("Giffoni").

WITNESSETH:

WHEREAS, AFH Acquisition III, Inc. ("AFH III"), AFH, Targeted, TMP Merger Sub, Inc. ("TMP Sub"), AFH Merger Sub, Inc. ("AFH Merger Sub"), Shell, Elizabeth Charavustra and Giffoni entered into an Agreement and Plan of Reorganization, dated as of January 31, 2011, and amended as of October 17, 2011 (hereinafter the "Merger Agreement");

WHEREAS, pursuant to the Merger Agreement, AFH III, TMP Sub and AFH Merger Sub ceased to exist upon the consummation of the Merger.

NOW, THEREFORE, the parties hereto agree to amend the Merger Agreement as follows, effective as of the date hereof:

1. All capitalized terms used and not defined herein shall have the meanings ascribed thereto in the Merger Agreement.

2. Section 3.01 shall be deleted in its entirety.

The parties hereby agree that except as specifically provided in and modified by this Amendment, the Merger Agreement is in all other respects hereby ratified and confirmed and references to the Merger Agreement shall be deemed to refer to the Merger Agreement as modified by this Amendment.

* * * * *

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

AFH HOLDING AND ADVISORY, LLC

By: /s/ Amir F. Heshmatpour
Name: Amir F. Heshmatpour
Title: Managing Partner

TARGETED MEDICAL PHARMA, INC.

By: /s/ William E. Shell
Name: William E. Shell, MD
Title: Chief Executive Officer

/s/ William E. Shell
William E. Shell, MD

The Estate of Elizabeth Charuvastra

By: /s/ William E. Shell
Name: William E. Shell, MD
Title: Executor

/s/ Kim Giffoni
Kim Giffoni

Exhibit 10.4

NEITHER THESE SECURITIES NOR THE SECURITIES INTO WHICH THESE SECURITIES ARE CONVERTIBLE HAVE BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE 1933 ACT.

SECURED CONVERTIBLE PROMISSORY NOTE

Los Angeles, California **$585,448**

Issue Date: July 20, 2012

FOR VALUE RECEIVED, TARGETED MEDICAL PHARMA, INC., a Delaware corporation (hereinafter called the "Borrower"), hereby promises to pay to the order of AFH HOLDING AND ADVISORY, LLC, a Delaware limited liability company, or its registered assigns (the "Holder"), the sum of FIVE HUNDRED EIGHTY FIVE THOUSAND FOUR HUNDRED FORTY EIGHT AND 00/100 DOLLARS ($585,448) (the " Principal Amount"), on July __, 2014 (the **"**Maturity Date"). The unpaid Principal Amount from time to time outstanding on this Secured Convertible Promissory Note (the "Note") shall bear interest at the rate of EIGHT AND ONE HALF PERCENT (8.5%) per annum (" Interest"), until the same becomes due and payable, whether at maturity or upon acceleration or by prepayment or otherwise. Interest shall be payable quarterly in arrears on the unpaid Principal Amount of the Note on each March 31st, June 30th, September 30th and December 31st after the issue date of the Note, up until the same becomes due and payable, whether at maturity or upon acceleration or by prepayment or otherwise (each such payment, an "Interest Payment"). Each Interest Payment shall be made, at the Holder's option, in either cash or shares of common stock of the Borrower, no par value per share (" Common Stock"). If the Interest Payment is made in shares of Common Stock, the number of shares to be received by the Holder shall be determined as set forth in Section 2(c) hereof. At the Holder's option, any Interest not paid within ten (10) days after the date due hereunder may be added to the Principal Amount of this Note and, if added to the Principal Amount, shall bear interest from its due date at the applicable interest rate specified herein. Any amount of principal or Interest on this Note which is not paid when due shall bear interest at the rate of FIFTEEN PERCENT (15%) per annum from the due date thereof until the same is paid (" Default Interest"). Interest and Default Interest shall be computed on the basis of a 365-day year and the actual number of days elapsed and shall be payable at the Maturity Date. Except as otherwise set forth herein, all payments due hereunder shall be made in lawful money of the United States of America. All payments shall be made at such address as the Holder shall hereafter give to the Borrower by written notice made in accordance with the provisions of this Note. Whenever any amount expressed to be due by the terms of this Note is due on any day which is not a Business Day, the same shall instead be due on the next succeeding day which is a Business Day. As used in this Note, the term "Business Day" shall mean any day other than a Saturday, Sunday or a day on which commercial banks in the city of New York, New York are authorized or required by law or executive order to remain closed. Notwithstanding any provision contained herein, the total liability of Borrower for payment pursuant hereto, including, without limitation late charges, shall not exceed the maximum amount of interest permitted by law to be charged, collected, or received from the Borrower, and if any payments by Borrower include interest in excess of such a maximum amount, the Holder shall apply such excess to the reduction of the unpaid Principal Amount due pursuant hereto, or if none is due, such excess shall be refunded to the Borrower. This Note is being issued by the Borrower to the Holder, pursuant to a letter agreement (the " Agreement") by and between the Borrower and the Holder, dated as of even date herewith. Each capitalized term used herein, and not otherwise defined, shall have the meaning ascribed thereto in the Agreement.

The following terms shall apply to this Note:

ARTICLE I.
PREPAYMENT

1.1 Borrower's Prepayment Option. Notwithstanding anything to the contrary contained herein, at Borrower's option at any time, upon fifteen (15) days prior written notice, the Borrower shall have the right to prepay the entire amount due to the Holder pursuant to the Note (the " Prepayment Option"). On the 16th day following such notice, the Borrower shall make payment to the Holder of an amount in cash equal to the sum of (a) the Principal Amount of the Note outstanding on such day plus (b) accrued and unpaid Interest on such unpaid Principal Amount plus (c) Default Interest, if any, on the amounts referred to in clauses (a) and (b) (the "Prepayment Amount"). If the Borrower fails to make such payment within one (1) Business Day of such date the Borrower shall be subject to a penalty of .005 multiplied by the Prepayment Amount for every additional Business Day on which such payment is not made.

1.2 Holder's Prepayment Option. Notwithstanding anything to the contrary contained herein, at Holder's option, Holder shall have the right at any time to be prepaid, in whole or in part, any amounts due under the terms of this Note from the proceeds of any offering or offerings of the Borrower's securities, as follows:.

(a) 12.5% of the proceeds from any offering or offerings resulting in net proceeds to the Borrower of an aggregate of less than $1,000,000;

(b) 25% of the proceeds from any offering or offerings resulting in net proceeds to the Borrower of an aggregate of between $1,000,000 and $1,999,999;

(c) 50% of the proceeds from any offering or offerings resulting in net proceeds to the Borrower of an aggregate of between $2,000,000 and $2,999,999;

(d) full payment from any offering or offerings resulting in net proceeds to the Borrower of an aggregate of $3,000,000 or more.

In order to exercise such right, Holder shall deliver a written notice of prepayment to the Borrower. The Borrower shall make payment to the Holder of an amount in cash equal to the sum indicated in such notice within three (3) Business Days following the date on which notice of prepayment is delivered.

1.3 Reduction of Principal Amount for Certain Expenses . The Borrower has advanced $250,000 (the "Advance") to the Holder, to be used for expenses, including the Holder's advisory fees and expenses, in connection with a transaction relating to the purchase and sale of certain of the Borrower's receivables (the "Receivables Transaction"). As soon as practicable following the issuance of this Note, the Holder shall deliver to the Borrower (a) a written notice setting forth in reasonable detail the amounts of all expenses actually incurred on behalf of the Borrower in connection with the Receivables Transaction (the "Expenses"), (b) copies of all invoices related to the Expenses, and (c) this signed original Note. The Principal Amount of the Note shall be reduced by an amount equal to the difference between the amount of the Advance and the aggregate amount of the Expenses, if any. Within five (5) Business Days following the Holder's delivery of such written notice to the Borrower, the Borrower, at its expense, will cause to be issued in the name of, and delivered to, the Holder, or as such Holder may direct, a new Note of like tenor in the adjusted Principal Amount.

ARTICLE II.

CONVERSION

2.1 Conversion.

(a) After the Issue Date, the Holder shall have the right (the " Conversion Right"), on the terms set forth in this Section 2.1, to convert the Principal Amount of this Note, and any Interest and/or Default Interest when due and payable, into shares of Common Stock of the Borrower, on the terms and conditions hereinafter set forth.

(b) In the event that the Holder elects to convert all or any portion of this Note into shares of Common Stock, the Holder shall give written notice of such election by delivering to the Borrower an executed and completed notice of conversion (the " Notice of Conversion"), such Notice of Conversion shall provide a breakdown in reasonable detail of the Principal Amount, accrued and unpaid Interest and/or Default Interest being converted. On each Conversion Date (as hereinafter defined) and in accordance with the Notice of Conversion, the Holder shall make the appropriate reduction to the Principal Amount and accrued and unpaid Interest and/or Default Interest as entered in its records and shall provide written notice thereof to the Borrower within two (2) Business Days after the Conversion Date. Each date on which a Notice of Conversion is delivered to the Borrower in accordance with the provisions hereof shall be deemed, for all purposes of this Note, to be the " Conversion Date". Pursuant to the terms of the Notice of Conversion, the Borrower will issue instructions to the transfer agent (together with such other documents as the transfer agent may request) within two (2) Business Days of the date of the delivery to the Borrower of the Notice of Conversion. The Borrower shall use its best efforts to cause its transfer agent to transmit the certificates representing the Common Stock issuable upon full or partial conversion of this Note to any address or depositary directed by the Holder within five (5) Business Days after receipt by the Borrower of the Notice of Conversion.

(c) The number of shares of Common Stock to be issued upon any conversion of this Note (the " Conversion Shares") shall be determined by dividing that portion of the Principal Amount and any Interest and/or Default Interest to be converted, if any, by a price equal to the lesser of (i) $1.00, or (ii) the average of the lowest three (3) Trading Prices (as defined below) for the Common Stock during the ten (10) Trading Day period ending on the latest complete Trading Day prior to the Conversion Date (the "Conversion Price"). "Trading Price" means, for any security as of any date, the closing bid price on the Over-the-Counter Bulletin Board, or applicable trading market (the " OTCBB") as reported by a reliable reporting service ("Reporting Service") designated by the Holder (i.e. Bloomberg) or, if the OTCBB is not the principal trading market for such security, the closing bid price of such security on the principal securities exchange or trading market where such security is listed or traded or, if no closing bid price of such security is available in any of the foregoing manners, the average of the closing bid prices of any market makers for such security that are listed in the "pink sheets" by the National Quotation Bureau, Inc. If the Trading Price cannot be calculated for such security on such date in the manner provided above, the Trading Price shall be the fair market value as mutually determined by the Borrower and the Holders. "Trading Day" shall mean any day on which the Common Stock is tradable for any period on the OTCBB, or on the principal securities exchange or other securities market on which the Common Stock is then being traded.

(d) The Conversion Price and number and kind of shares or other securities to be issued upon conversion is subject to adjustment from time to time upon the occurrence of certain events, as follows:

(i) Reclassification, etc. If the Borrower at any time shall, by reclassification or otherwise, change the Common Stock into the same or a different number of securities of any class or classes, the Principal Amount of this Note, and any accrued and unpaid Interest and/or Default Interest thereon, and fees incurred hereunder, shall thereafter be deemed to evidence the right to purchase an adjusted number of such securities and kind of securities as would have been issuable as the result of such change with respect to the Common Stock immediately prior to such reclassification or other change.

(ii) Stock Splits, Combinations and Dividends. If the shares of Common Stock outstanding at any time after the date hereof are subdivided or combined into a greater or smaller number of shares of Common Stock, or if a dividend is paid on the Common Stock in shares of Common Stock, the Conversion Price or the Conversion Shares to be issued, as the case may be, shall be proportionately reduced in case of subdivision of shares or stock dividend or proportionately increased in the case of combination of shares, in each such case by the ratio which the total number of shares of Common Stock outstanding immediately after such event bears to the total number of shares of Common Stock outstanding immediately prior to such event.

(e) Notwithstanding anything in this Note to the contrary, the Holder shall not convert this Note into that number of shares of Common Stock which would be in excess of the sum of (i) the number of shares of Common Stock beneficially owned by the Holder and its affiliates (other than shares of Common Stock which may be deemed beneficially owned through the ownership of the unexercised or unconverted portion of any other securities of the Borrower (subject to a limitation on conversion or exercise analogous to the limitation contained herein)) and (ii) the number of shares of Common Stock issuable upon the conversion of this Note held by the Holder and its affiliates with respect to which the determination of this proviso is being made which would result in beneficial ownership by the Holder and its affiliates of more than 9.9% of the outstanding shares of the Borrower's Common Stock. For purposes of the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended, and Regulation 13D-G thereunder, except as otherwise provided in clause (i) of the preceding sentence. The Holder may waive the limitations set forth in this Section at its sole and absolute discretion by written notice of not less than sixty-one (61) days to the Borrower.

(f) The Borrower shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of providing for the conversion of the Note, such number of shares of Common Stock as shall from time to time equal the number of Conversion Shares issuable from time to time.

ARTICLE III.

SECURITY

3.1 All of the obligations of the Borrower under the Note are secured by a security interest in and to the Borrower's rights to certain assets of the Borrower comprised of Allen Salick MD, Inc. open claims from October 8, 2007 through and including March 9, 2010, in the approximate value of $2,658,000 (hereinafter, the "Collateral"), pursuant to the Security Agreement (the "Security Agreement") by and between the Borrower and the Holder, dated as of even date herewith. The Borrower hereby irrevocably authorizes the Holder at any time and from time to time to file in any Uniform Commercial Code jurisdiction any initial financing statements and amendments thereto that (i) indicate the Collateral regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the Uniform Commercial Code of the State of California as amended from time to time (" CAUCC"), or any other Uniform Commercial Code jurisdiction; and (ii) contain any other information required by part 5 of Article 9 of the CAUCC for the sufficiency or filing office acceptance of any financing statement or amendment, including whether the Borrower is an organization, the type of organization and any organization identification number issued to the Borrower. The Borrower agrees to furnish any such information to the Holder promptly upon request. The Borrower also ratifies its authorization for the Holder to have filed in any Uniform Commercial Code jurisdiction any like initial financing statements or amendments thereto if filed prior to the date hereof with respect to the Collateral.

ARTICLE IV

CERTAIN COVENANTS

4.1 Distributions on Capital Stock. So long as the Borrower shall have any obligation under this Note, the Borrower shall not without the Holder's written consent (a) pay, declare or set apart for such payment, any dividend or other distribution (whether in cash, property or other securities) on shares of capital stock other than dividends on shares of Common Stock solely in the form of additional shares of Common Stock or (b) directly or indirectly or through any subsidiary make any other payment or distribution in respect of its capital stock except for distributions pursuant to any shareholders' rights plan which is approved by a majority of the Borrower's disinterested directors.

4.2 Restriction on Stock Repurchases. So long as the Borrower shall have any obligation under this Note, the Borrower shall not without the Holder's written consent redeem, repurchase or otherwise acquire (whether for cash or in exchange for property or other securities or otherwise) in any one transaction or series of related transactions any shares of capital stock of the Borrower or any warrants, rights or options to purchase or acquire any such shares.

4.3 Borrowings. So long as the Borrower shall have any obligation under this Note, the Borrower shall not, without the Holder's written consent, create, incur, assume or suffer to exist any liability for borrowed money, except (a) borrowings in existence or committed on the date hereof and of which the Borrower has informed Holder in writing prior to the date hereof, (b) indebtedness to trade creditors or financial institutions incurred in the ordinary course of business (c) borrowings from financial institutions where the primary purpose of the proceeds is for the general corporate use of the Borrower, or (d) borrowings, the proceeds of which shall be used to repay this Note.

4.4 Sale of Assets. So long as the Borrower shall have any obligation under this Note, the Borrower shall not, without the Holder's written consent, sell, lease or otherwise dispose (collectively, a "Disposition") of any significant portion of its assets, other than to a wholly-owned subsidiary of the Borrower, outside the ordinary course of business unless the proceeds of such Disposition shall be used to repay this Note. Any consent to the disposition of any assets may be conditioned on a specified use of the proceeds of disposition.

4.5 Advances and Loans. So long as the Borrower shall have any obligation under this Note, the Borrower shall not, without the Holder's written consent, lend money, give credit or make advances to any person, firm, joint venture or corporation, including, without limitation, officers, directors, employees, subsidiaries and affiliates of the Borrower, except loans, credits or advances (a) in existence or committed on the date hereof and which the Borrower has informed Holder in writing prior to the date hereof or (b) made in the ordinary course of business.

4.6 Contingent Liabilities. So long as the Borrower shall have any obligation under this Note, the Borrower shall not, without the Holder's written consent, assume, guarantee, endorse, contingently agree to purchase or otherwise become liable upon the obligation of any person firm, partnership, joint venture or corporation, except by the endorsement of negotiable instruments for deposit or collection and except assumptions, guarantees, endorsements and contingencies (a) in existence or committed on the date hereof and which the Borrower has informed Holder in writing prior to the date hereof, and (b) similar transactions in the ordinary course of business.

ARTICLE V.

EVENTS OF DEFAULT

5.1 Events of Default. Each of the following events shall be deemed an "Event of Default" under this Note:

(a) Failure to Pay Principal or Interest. The Borrower fails to pay the Principal Amount hereof or Interest thereon when due on this Note, whether at maturity, upon acceleration, or otherwise.

(b) Breach of Covenants. The Borrower breaches any material covenant or other material term or condition contained herein, or in the Agreement, and such breach continues for a period of thirty (30) days after written notice thereof to the Borrower from the Holder.

(c) Breach of Representations and Warranties. Any representation or warranty of the Borrower made herein or in any agreement, statement or certificate given in writing pursuant hereto or in connection herewith (including, without limitation, the Agreement), shall be false or misleading in any material respect when made and the breach of which has (or with the passage of time will have) a material adverse effect on the rights of the Holder with respect to this Note or the Agreement.

(d) Receiver or Trustee. The Borrower or any subsidiary of the Borrower shall make an assignment for the benefit of creditors, or apply for or consent to the appointment of a receiver or trustee for it or for a substantial part of its property or business, or such a receiver or trustee shall otherwise be appointed;

(e) Judgments. Any money judgment, writ or similar process shall be entered or filed against the Borrower or any subsidiary of the Borrower or any of its property or other assets for more than $250,000, and shall remain un-vacated, un-bonded or un-stayed for a period of twenty (20) days unless otherwise consented to by the Holder, which consent will not be unreasonably withheld; or

(f) Bankruptcy. Bankruptcy, insolvency, reorganization or liquidation proceedings or other proceedings for relief under any bankruptcy law or any law for the relief of debtors shall be instituted by or against the Borrower or any subsidiary of the Borrower and if instituted against Borrower is not dismissed within sixty (60) days.

5.2 Effect of Event of Default. Upon the happening of any Event of Default, as set forth in Section 5.1 above, then, or at any time thereafter, and in each and every such case, unless such Event of Default shall have been waived in writing by the Holder (which waiver shall not serve as a waiver of any subsequent default) at the option of the Holder and in the Holder's sole discretion, the Holder may consider this Note immediately due and payable, without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived, anything herein notwithstanding, and the Holder may immediately enforce any and all of the Holder's rights and remedies provided herein or any other right or remedy afforded by law.

ARTICLE VI.

PIGGYBACK REGISTRATION RIGHTS

6.1 General.

(a) The Holder is hereby granted the right to "piggyback" the Conversion Shares issuable and/or issued upon the Principal Amount of this Note and the accrued and unpaid Interest and/or Default Interest thereon (such shares being referred to herein as " Registrable Securities") on each registration statement filed by the Borrower so long as the registration form to be used is suitable for the registration of the Registrable Securities (a " Piggyback Registration") (it being understood that the Form S-8 and Form S-4 may not be used for such purposes), all at the Borrower's cost and expense (except commissions or discounts and fees of any of the holders' own professionals, if any; it being understood that the Borrower shall not be obligated to pay the fees of more than one counsel for the holders of the Registrable Securities); provided, however, that this paragraph (a) shall not apply to any Registrable Securities if such Registrable Securities may then be sold within a six (6) month period under Rule 144 (assuming the holder's compliance with the provisions of the Rule) and the Borrower delivers an opinion to that effect to the transfer agent; and provided, further, that if the offering with respect to which a registration statement is filed is an underwritten primary or secondary offering of the Borrower's securities and the managing underwriter advises the Borrower in writing that in its opinion the number of securities requested to be included in such registration exceeds the number that can be sold in such offering without adversely affecting such underwriter's ability to effect an orderly distribution of such securities or otherwise adversely effecting such offering (including, without limitation, causing a diminution in the offering price of the Borrower's securities) the Borrower will include in such registration statement: (i) first, the securities being sold for the account of the Borrower; and (ii) second, the number of securities with respect to which the Borrower has granted rights to participate in such registration (including the Registrable Securities) that, in the opinion of such underwriter, can be sold pro rata among the respective holders of such securities on the basis of the amount of such securities then owned by each such holder. The Borrower shall give each holder of Registrable Securities at least fifteen (15) days written notice of the intended filing date of any registration statement, other than a registration statement filed on Form S-4 or Form S-8 and each holder of Registrable Securities shall have seven (7) days after receipt of such notice to notify the Borrower of its intent to include the Registrable Securities in the registration statement.

(b) If, at any time after giving written notice of its intention to register any securities and prior to the effective date of the registration statement filed in connection with such registration, the Borrower shall determine for any reason not to register or to delay registration of such securities, the Borrower may, at its election, give written notice of such determination to all holders of the Registrable Securities and (i) in the case of a determination not to register, shall be relieved of its obligation to register any Registrable Securities in connection with such abandoned registration and (ii) in the case of a determination to delay such registration of its securities, shall be permitted to delay the registration of such Registrable Securities for the same period as the delay in registering such other Borrower securities.

6.2 Expenses. The Borrower shall bear all fees and expenses attendant to registering the Registrable Securities (except any underwriters' discounts and commissions and fees of any of the holders' own professionals, if any; it being understood that the Borrower shall not be obligated to pay the fees of more than one counsel for the holders of the Registrable Securities). The Borrower agrees to use its best efforts to cause the filing required herein to become effective promptly and to qualify to register the Registrable Securities in such States as are reasonably requested by the holder(s); provided, however, that in no event shall the Borrower be required to register the Registrable Securities in a State in which such registration would cause (a) the Borrower to be obligated to register or license to do business in such State, or (b) the principal stockholders of the Borrower to be obligated to escrow any of their shares of capital stock of the Borrower.

6.3 Indemnification. The Borrower shall indemnify and hold harmless each holder of the Registrable Securities to be sold pursuant to any Registration Statement hereunder and each of such holder's officers, directors, employees, agents, partners, legal counsel and accountants, and each person, if any, who controls each of the foregoing within the meaning of Section 15 of the Securities Act or Section 20(a) of the 1934 Act, as amended, against all loss, claim, damage, expense or liability (including all reasonable attorneys' fees and other expenses reasonably incurred in investigating, preparing or defending against any claim whatsoever incurred by the indemnified party in any action or proceeding between the indemnitor and indemnified party or between the indemnified party and any third party or otherwise) to which any of them may become subject under the Securities Act, the Exchange Act or any other statute or at common law or otherwise under laws of foreign countries, arising from such registration statement or based upon any untrue statement or alleged untrue statement of a material fact contained in (a) any preliminary prospectus, registration statement or prospectus (as from time to time each may be amended and supplemented); (b) in any post-effective amendment or amendments or any new registration statement and prospectus in which is included the Registrable Securities; or (c) any application or other document or written communication (collectively called " application") executed by the Borrower or based upon written information furnished by the Borrower in any jurisdiction in order to qualify the Registrable Securities under the securities laws thereof or filed with the commission, any state securities commission or agency or any securities exchange; or the omission or alleged omission therefrom of 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; unless such statement or omission is made in reliance upon, and in strict conformity with, written information furnished to the Borrower with respect to the holders expressly for use in a preliminary prospectus, registration statement or prospectus, or any amendment or supplement thereof, or in any application, as the case may be. The Borrower agrees promptly to notify the holders of the Registrable Securities of the commencement of any litigation proceedings against the Borrower or any of its officers, directors or controlling persons in connection with the issue and sale or resale of the Registrable Securities or in connection with any such registration statement or prospectus.

ARTICLE VII

MISCELLANEOUS

7.1 Failure or Indulgence Not Waiver. No failure or delay on the part of the Holder in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privileges. All rights and remedies existing hereunder are cumulative to, and not exclusive of, any rights or remedies otherwise available.

7.2 Notices. Unless otherwise provided, any notice required or permitted under this Note shall be given in writing and shall be deemed effectively given as hereinafter described (i) if given by personal delivery, then such notice shall be deemed given upon such delivery, (ii) if given by telex or facsimile, then such notice shall be deemed given upon receipt of confirmation of complete transmittal, (iii) if given by mail, then such notice shall be deemed given upon the earlier of (A) receipt of such notice by the recipient or (B) three days after such notice is deposited in first class mail, postage prepaid, and (iv) if given by an internationally recognized overnight air courier, then such notice shall be deemed given one business day after delivery to such carrier. All notices shall be addressed as follows:

If to the Borrower, to:

Targeted Medical Pharma, Inc.
2980 Beverly Glen Circle, Suite 301
Los Angeles, CA 90077
Attn: _____
Fax: _____

with a copy to:

If to the Holder, to:

AFH Holding and Advisory, LLC
9595 Wilshire Boulevard, Suite 700
Beverly Hills, CA 90212
Attn: _____
Fax: _____

with a copy to:

or, in each case, to such other address as the parties may hereinafter designate by like notice.

7.3 Amendments. This Note and any provision hereof may only be amended by an instrument in writing signed by the Borrower and the Holder. The term "Note" and all reference thereto, as used throughout this instrument, shall mean this instrument as originally executed, or if later amended or supplemented, then as so amended or supplemented.

7.4 Assignability. This Note shall be binding upon the Borrower and its successors and assigns, and shall inure to the benefit of the Holder and its successors and assigns. Each transferee of this Note must be an "accredited investor" (as defined in Rule 501(a) of the 1933 Act). Notwithstanding anything in this Note to the contrary, this Note may be pledged as collateral in connection with a bona fide margin account or other lending arrangement.

7.5 Governing Law. THIS NOTE SHALL BE ENFORCED, GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE, WITHOUT REGARD TO THE PRINCIPLES OF CONFLICT OF LAWS. THE BORROWER HEREBY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE UNITED STATES FEDERAL COURTS LOCATED IN LOS ANGELES, CALIFORNIA WITH RESPECT TO ANY DISPUTE ARISING UNDER THIS NOTE, THE AGREEMENTS ENTERED INTO IN CONNECTION HEREWITH OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. BOTH PARTIES IRREVOCABLY WAIVE THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH SUIT OR PROCEEDING. BOTH PARTIES FURTHER AGREE THAT SERVICE OF PROCESS UPON A PARTY MAILED BY FIRST CLASS MAIL SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON THE PARTY IN ANY SUCH SUIT OR PROCEEDING. NOTHING HEREIN SHALL AFFECT EITHER PARTY'S RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW. BOTH PARTIES AGREE THAT A FINAL NON-APPEALABLE JUDGMENT IN ANY SUCH SUIT OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON SUCH JUDGMENT OR IN ANY OTHER LAWFUL MANNER. THE PARTY WHICH DOES NOT PREVAIL IN ANY DISPUTE ARISING UNDER THIS NOTE SHALL BE RESPONSIBLE FOR ALL FEES AND EXPENSES, INCLUDING REASONABLE ATTORNEYS' FEES, INCURRED BY THE PREVAILING PARTY IN CONNECTION WITH SUCH DISPUTE.

7.6 Denominations. At the request of the Holder, upon surrender of this Note, the Borrower shall promptly issue new Notes in the aggregate outstanding Principal Amount hereof, in the form hereof, in such denominations as the Holder shall request.

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IN WITNESS WHEREOF, Borrower has caused this Note to be signed in its name by its duly authorized representative this 20th day of July, 2012.

TARGETED MEDICAL PHARMA, INC.

By: /s/ William E. Shell
Name: William E. Shell, M.D.
Title: Chief Executive Officer

Exhibit 10.5

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "Security Agreement"), is made as of July 20, 2012, by and between Targeted Medical Pharma, Inc., a Delaware corporation, having an address at 2980 Beverly Glen Circle, Suite 301, Los Angeles, CA 90077 (the " Obligor" or "Company"), and AFH Holding and Advisory, LLC, a Delaware limited liability company, having an address at 9595 Wilshire Boulevard, Suite 700, Beverly Hills, CA 90212 (the "Secured Party"). (The Company and the Secured Party may hereinafter be referred to singularly as a "party," and collectively as the "parties").

W I T N E S S E T H

WHEREAS, concurrently herewith, the Obligor is entering into a letter agreement with the Secured Party (the " Letter Agreement"), pursuant to which, in consideration for past services rendered, the Obligor will issue to the Secured Party (a) a Secured Convertible Promissory Note in the principal amount of $585,448 (the "Note"); and (b) warrants to purchase 1,063,981 shares of the Company's common stock (the " Warrants"); and

WHEREAS, the Obligor has agreed to execute and deliver to the Secured Party this Security Agreement for the benefit of the Secured Party and to grant to the Secured Party a security interest in certain of the Obligor's assets, as set forth in Section 1(a) below, to secure the prompt payment, performance and discharge in full of all of the Obligor's obligations under the Security Agreement, the Note and the Warrants.

NOW, THEREFORE, in consideration of the agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. **Certain Definitions**. As used in this Security Agreement, the following terms shall have the meanings set forth in this Section 1. Terms used but not otherwise defined in this Security Agreement that are defined in Article 9 of the UCC shall have the respective meanings given such terms in Article 9 of the UCC. Each capitalized term used herein, and not otherwise defined, shall have the meaning ascribed thereto in the Letter Agreement.

(a) "Collateral" means the collateral in which the Secured Party is granted a security interest by this Security and which shall include the following, whether presently owned or existing or hereafter acquired or coming into existence, and all additions and accessions thereto and all substitutions and replacements thereof, and all proceeds, products and accounts thereof, including, without limitation, all proceeds from the sale or transfer of the Collateral and of insurance covering the same and of any tort claims in connection therewith:

(i) All of the Obligor's rights in and to Allen Salick MD, Inc. open claims from October 8, 2007 through and including March 9, 2010, in the approximate value of $2,658,000, as further set forth on **Schedule A** hereto; and

(ii) All of the Obligor's documents, instruments and chattel paper, files, records, books of account, business papers, computer programs and the products and proceeds of all of the foregoing Collateral set forth in clause (i) above, if any.

(b) "Obligations" means all of the Obligor's obligations under this Security Agreement, the Letter Agreement, the Note and the Warrants, in each case, whether now or hereafter existing, voluntary or involuntary, direct or indirect, absolute or contingent, liquidated or unliquidated, whether or not jointly owed with others, and whether or not from time to time decreased or extinguished and later decreased, created or incurred, and all or any portion of such obligations or liabilities that are paid, to the extent all or any part of such payment is avoided or recovered directly or indirectly from the Secured Party as a preference, fraudulent transfer or otherwise as such obligations may be amended, supplemented, converted, extended or modified from time to time.

(c) "UCC" means the Uniform Commercial Code, as currently in effect in the State of California.

2. **Grant of Security Interest**. To secure the complete and timely payment, performance and discharge in full, as the case may be, of all of the Obligations, except for Permitted Liens (as hereinafter defined), the Obligor hereby, unconditionally and irrevocably, pledges, grants and hypothecates to the Secured Party, a continuing security interest in, a continuing lien upon, an unqualified right to possession and disposition of and a right of set-off against, in each case to the fullest extent permitted by law, all of the Obligor's right, title and interest of whatsoever kind and nature in and to the Collateral (the " Security Interest").

3. **Representations, Warranties, Covenants and Agreements of the Obligor** . The Obligor represents and warrants to, and covenants and agrees with, the Secured Party as follows:

(a) The Obligor has the requisite corporate power and authority to enter into this Security Agreement and otherwise to carry out its obligations hereunder. The execution, delivery and performance by the Obligor of this Security Agreement and the filings contemplated herein have been duly authorized by all necessary action on the part of the Obligor and no further action is required by the Obligor. This Security Agreement constitutes a legal, valid and binding obligation of the Obligor enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditor's rights generally.

(b) The Obligor represents and warrants that it has no place of business or offices where its respective books of account and records are kept (other than temporarily at the offices of its attorneys or accountants), except as set forth on **Schedule B** attached hereto;

(c) Except as to those liens existing as of the date hereof that were disclosed to the Secured Party by the Obligor and are set forth on the attached **Schedule C** (the "Permitted Liens"), the Obligor is the sole owner of the Collateral (except for non-exclusive licenses granted by the Obligor in the ordinary course of business), free and clear of any liens, security interests, encumbrances, rights or claims, and is fully authorized to grant the Security Interest in and to pledge the Collateral. Except as to the Permitted Liens, there is not on file in any governmental or regulatory authority, agency or recording office an effective financing statement, security agreement, license or transfer or any notice of any of the foregoing (other than those that have been filed in favor of the Secured Party pursuant to this Security Agreement) covering or affecting any of the Collateral. Except as to the Permitted Liens, so long as this Security Agreement shall be in effect, the Obligor shall not execute and shall not knowingly permit to be on file in any such office or agency any such financing statement or other document or instrument (except to the extent filed or recorded in favor of the Secured Party pursuant to the terms of this Security Agreement).

(d) No part of the Collateral has been judged invalid or unenforceable. No written claim has been received that any Collateral or the Obligor's use of any Collateral violates the rights of any third party. There has been no adverse decision to the Obligor's claim of ownership rights in or exclusive rights to use the Collateral in any jurisdiction or to the Obligor's right to keep and maintain such Collateral in full force and effect, and there is no proceeding involving said rights pending or, to the best knowledge of the Obligor, threatened before any court, judicial body, administrative or regulatory agency, arbitrator or other governmental authority.

(e) The Obligor shall at all times maintain its books of account and records relating to the Collateral at its principal place of business and may not relocate such books of account and records unless it delivers to the Secured Party at least 30 days prior to such relocation (i) written notice of such relocation and the new location thereof (which must be within the United States) and (ii) evidence that appropriate financing statements and other necessary documents have been filed and recorded and other steps have been taken to perfect the Security Interest to create in favor of the Secured Party a valid, perfected and continuing lien in the Collateral.

(f) This Security Agreement creates in favor of the Secured Party a valid security interest in the Collateral securing the payment and performance of the Obligations and, upon making the filings described in the immediately following sentence, a perfected security interest in such Collateral. Except for the filing of financing statements on Form-1 under the UCC with the jurisdictions indicated on **Schedule D**, attached hereto, no authorization or approval of or filing with or notice to any governmental authority or regulatory body is required either (i) for the grant by the Obligor of, or the effectiveness of, the Security Interest granted hereby or for the execution, delivery and performance of this Security Agreement by the Obligor or (ii) for the perfection of or exercise by the Secured Party of its rights and remedies hereunder.

(g) The Obligor hereby irrevocably authorizes the Secured Party at any time and from time to time to file in any Uniform Commercial Code jurisdiction any initial financing statements and amendments thereto that (a) indicate the Collateral regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the Uniform Commercial Code of the State of California as amended from time to time (" CAUCC"), or any other Uniform Commercial Code jurisdiction; and (b) contain any other information required by part 5 of Article 9 of the CAUCC for the sufficiency or filing office acceptance of any financing statement or amendment, including whether the Obligor is an organization, the type of organization and any organization identification number issued to the Obligor. The Obligor agrees to furnish any such information to the Secured Party promptly upon request. The Obligor also ratifies its authorization for the Secured Party to have filed in any Uniform Commercial Code jurisdiction any like initial financing statements or amendments thereto if filed prior to the date hereof with respect to the Collateral.

(h) The execution, delivery and performance of this Security Agreement does not conflict with or cause a breach or default, or an event that with or without the passage of time or notice, shall constitute a breach or default, under any agreement to which the Obligor is a party or by the Obligor is bound. No consent (including, without limitation, from stockholders or creditors of the Obligor) is required for the Obligor to enter into and perform its obligations hereunder.

(i) The Obligor shall at all times maintain the liens and Security Interest provided for hereunder as valid and perfected liens and security interests in the Collateral in favor of the Secured Party until this Security Agreement and the Security Interest hereunder shall be terminated pursuant to Section 11. The Obligor hereby agrees to defend the same against any and all persons. The Obligor shall safeguard and protect all Collateral for the account of the Secured Party. At the request of the Secured Party, the Obligor will pay the cost of filing one or more financing statements pursuant to the UCC (or any other applicable statute) in form reasonably satisfactory to the Secured Party in all public offices wherever filing is, or is deemed by the Secured Party to be, necessary or desirable to effect the rights and obligations provided for herein. Without limiting the generality of the foregoing, the Obligor shall pay all fees, taxes and other amounts necessary to maintain the Collateral and the Security Interest hereunder, and the Obligor shall obtain and furnish to the Secured Party from time to time, upon demand, such releases and/or subordinations of claims and liens which may be required to maintain the priority of the Security Interest hereunder.

(j) The Obligor will not transfer, pledge, hypothecate, encumber, license (except for non-exclusive licenses granted by the Obligor in the ordinary course of business), sell (except for sales of inventory in the ordinary course of business) or otherwise dispose of any of the Collateral without the prior written consent of the Secured Party.

(k) The Obligor shall keep and preserve its Equipment, Inventory and other tangible Collateral in good condition, repair and order and shall not operate or locate any such Collateral (or cause to be operated or located) in any area excluded from insurance coverage.

(l) The Obligor shall, within ten (10) days of obtaining knowledge thereof, advise the Secured Party promptly, in sufficient detail, of any substantial change in the Collateral, and of the occurrence of any event which would have a material adverse effect on the value of the Collateral or on the Secured Party's security interest therein.

(m) The Obligor shall promptly execute and deliver to the Secured Party such further deeds, mortgages, assignments, security agreements, financing statements or other instruments, documents, certificates and assurances and take such further action as the Secured Party may from time to time request and may in its sole discretion deem necessary to perfect, protect or enforce its security interest in the Collateral.

(n) The Obligor shall permit the Secured Party and their representatives and agents to inspect the Collateral at any time and to make copies of records pertaining to the Collateral as may be requested by the Secured Party from time to time.

(o) The Obligor will take all steps reasonably necessary to diligently pursue and seek to preserve, enforce and collect any rights, claims, causes of action and accounts receivable in respect of the Collateral.

(p) The Obligor shall promptly notify the Secured Party in sufficient detail upon becoming aware of any attachment, garnishment, execution or other legal process levied against any Collateral and of any other information received by the Obligor that may materially affect the value of the Collateral, the Security Interest or the rights and remedies of the Secured Party hereunder.

(q) All information heretofore, herein or hereafter supplied to the Secured Party by or on behalf of the Obligor with respect to the Collateral is accurate and complete in all material respects as of the date furnished.

4. **Defaults.** The following events shall be "Events of Default":

(a) A breach by the Obligor of its material obligations under the Letter Agreement, Note or Warrants, and failure to cure such breach for ten (10) days after receipt by the Obligor of notice of such breach from the Secured Party;

(b) Any representation or warranty of the Obligor in this Security Agreement shall prove to have been incorrect in any material respect when made; and

(c) The material failure by the Obligor to observe or perform any of its material obligations hereunder for ten (10) days after receipt by the Obligor of notice of such failure from the Secured Party.

5. **Duty To Hold In Trust.** Upon the occurrence of any Event of Default and at any time thereafter, the Obligor shall, upon receipt by it of any revenue, income or other sums subject to the Security Interest, whether payable pursuant to the Letter Agreement, the Note, or otherwise, or of any check, draft, debenture, trade acceptance or other instrument evidencing an obligation to pay any such sum, hold the same in trust for the Secured Party and shall forthwith endorse and transfer any such sums or instruments, or both, to the Secured Party for application to the satisfaction of the Obligations.

6. **Rights and Remedies Upon Default**. Upon occurrence of any Event of Default and at any time thereafter, the Secured Party shall have the right to exercise all of the remedies conferred hereunder and under the Letter Agreement, and the Secured Party shall have all the rights and remedies of a secured party under the UCC and/or any other applicable law (including the Uniform Commercial Code of any jurisdiction in which any Collateral is then located). The Secured Party shall have the following rights and powers:

(a) The Secured Party shall have the right to take possession of the Collateral and, for that purpose, enter, with the aid and assistance of any person, any premises where the Collateral, or any part thereof, is or may be placed and remove the same, and the Obligor shall assemble the Collateral and make it available to the Secured Party at places which the Secured Party shall reasonably select, whether at the Obligor's premises or elsewhere, and make available to the Secured Party, without rent, all of the Obligor's respective premises and facilities for the purpose of the Secured Party taking possession of, removing or putting the Collateral in saleable or disposable form.

(b) The Secured Party shall have the right to operate the business of the Obligor using the Collateral and shall have the right to assign, sell, lease or otherwise dispose of and deliver all or any part of the Collateral, at public or private sale or otherwise, either with or without special conditions or stipulations, for cash or on credit or for future delivery, in such parcel or parcels and at such time or times and at such place or places, and upon such terms and conditions as the Secured Party may deem commercially reasonable, all without (except as shall be required by applicable statute and cannot be waived) advertisement or demand upon or notice to the Obligor or right of redemption of the Obligor, which are hereby expressly waived. Upon each such sale, lease, assignment or other transfer of Collateral, the Secured Party may, unless prohibited by applicable law which cannot be waived, purchase all or any part of the Collateral being sold, free from and discharged of all trusts, claims, right of redemption and equities of the Obligor, which are hereby waived and released.

7. **Applications of Proceeds**.

(a) The proceeds of any such sale, lease or other disposition of the Collateral hereunder shall be applied first, to the expenses of retaking, holding, storing, processing and preparing for sale, selling, and the like (including, without limitation, any taxes, fees and other costs incurred in connection therewith) of the Collateral, to the reasonable attorneys' fees and expenses incurred by the Secured Party in enforcing its rights hereunder and in connection with collecting, storing and disposing of the Collateral, and then to satisfaction of the Obligations, and to the payment of any other amounts required by applicable law, after which the Secured Party shall pay to the Obligor any surplus proceeds. If, upon the sale, license or other disposition of the Collateral, the proceeds thereof are insufficient to pay all amounts to which the Secured Party is legally entitled, the Obligor will be liable for the deficiency, together with interest thereon, at the rate of 15% per annum (the "Default Rate"), and the reasonable fees of any attorneys employed by the Secured Party to collect such deficiency. To the extent permitted by applicable law, the Obligor waives all claims, damages and demands against the Secured Party arising out of the repossession, removal, retention or sale of the Collateral, unless due to the gross negligence or willful misconduct of the Secured Party.

(b) All ordinary costs and expenses incurred by the Secured Party in collection of the Obligations shall be borne exclusively by the Obligor including, without limitation, any costs, expenses, fees or disbursements incurred by outside agencies or attorneys retained by the Secured Party to effect collections of the Obligations or any Collateral securing the Obligations. The provisions of this paragraph shall not apply to any suits, actions, proceedings or claims of the nature referred to herein or otherwise which are based upon or related to the repayment of, or the taking of security for, any loans and/or advances made by the Secured Party to the Company that do not arise under the Letter Agreement or that are not participated in by the Secured Party, and the party making such loans and/or advances shall be exclusively responsible for such suits, actions, proceedings or claims and the payment of all such expenses in connection therewith.

8. **Costs and Expenses**. The Obligor agrees to pay all reasonable out-of-pocket fees, costs and expenses incurred in connection with any filing required hereunder, including without limitation, any financing statements, continuation statements, partial releases and/or termination statements related thereto or any expenses of any searches reasonably required by the Secured Party. The Obligor shall also pay all other claims and charges which in the reasonable opinion of the Secured Party might prejudice, imperil or otherwise affect the Collateral or the Security Interest therein. The Obligor will also, upon demand, pay to the Secured Party the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel and of any experts and agents, which the Secured Party may incur in connection with (i) the enforcement of this Security Agreement, (ii) the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Collateral, or (iii) the exercise or enforcement of any of the rights of the Secured Party under the Letter Agreement. Until so paid, any fees payable hereunder shall be added to the principal amount of the Note and shall bear interest at the Default Rate.

9. **Responsibility for Collateral**. The Obligor assumes all liabilities and responsibility in connection with all Collateral, and the obligations of the Obligor hereunder or under the Letter Agreement shall in no way be affected or diminished by reason of the loss, destruction, damage or theft of any of the Collateral or its unavailability for any reason.

10. **Security Interest Absolute**. All rights of the Secured Party and all Obligations of the Obligor hereunder, shall be absolute and unconditional, irrespective of: (a) any lack of validity or enforceability of this Security Agreement, the Letter Agreement, or any agreement entered into in connection with the foregoing, or any portion hereof or thereof; (b) any change in the time, manner or place of payment or performance of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from the Letter Agreement, or any other agreement entered into in connection with the foregoing; (c) any exchange, release or nonperfection of any of the Collateral, or any release or amendment or waiver of or consent to departure from any other collateral for, or any guaranty, or any other security, for all or any of the Obligations; (d) any action by the Secured Party to obtain, adjust, settle and cancel in its sole discretion any insurance claims or matters made or arising in connection with the Collateral; or (e) any other circumstance which might otherwise constitute any legal or equitable defense available to the Obligor, or a discharge of all or any part of the Security Interest granted hereby. Until the Obligations shall have been paid and performed in full, the rights of the Secured Party shall continue even if the Obligations are barred for any reason, including, without limitation, the running of the statute of limitations or bankruptcy. The Obligor expressly waives presentment, protest, notice of protest, demand, notice of nonpayment and demand for performance. In the event that at any time any transfer of any Collateral or any payment received by the Secured Party hereunder shall be deemed by final order of a court of competent jurisdiction to have been a voidable preference or fraudulent conveyance under the bankruptcy or insolvency laws of the United States, or shall be deemed to be otherwise due to any party other than the Secured Party, then, in any such event, the Obligor's obligations hereunder shall survive cancellation of this Security Agreement, and shall not be discharged or satisfied by any prior payment thereof and/or cancellation of this Security Agreement, but shall remain a valid and binding obligation enforceable in accordance with the terms and provisions hereof. The Obligor waives all right to require the Secured Party to proceed against any other person or to apply any Collateral which the Secured Party may hold at any time, or to marshal assets, or to pursue any other remedy. The Obligor waives any defense arising by reason of the application of the statute of limitations to any obligation secured hereby.

11. **Term of Agreement**. This Security Agreement and the Security Interest shall terminate on the repayment of all amounts due the Secured Party under the Letter Agreement and the Note. Upon such termination, the Secured Party, at the request and at the expense of the Obligor, will join in executing any termination statement with respect to any financing statement executed and filed pursuant to this Security Agreement.

12. **Power of Attorney; Further Assurances** .

(a) The Obligor authorizes the Secured Party, and does hereby make, constitute and appoint the Secured Party, and the Secured Party's officers, agents, successors or assigns with full power of substitution, as the Obligor's true and lawful attorney-in-fact, with power, in its own name or in the name of the Obligor, to, after the occurrence and during the continuance of an Event of Default, (i) endorse any debentures, checks, drafts, money orders, or other instruments of payment (including payments payable under or in respect of any policy of insurance) in respect of the Collateral that may come into possession of the Secured Party; (ii) to sign and endorse any UCC financing statement or any invoice, freight or express bill, bill of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications and notices in connection with accounts, and other documents relating to the Collateral; (iii) to pay or discharge taxes, liens, security interests or other encumbrances at any time levied or placed on or threatened against the Collateral; (iv) to demand, collect, receipt for, compromise, settle and sue for monies due in respect of the Collateral; and (v) generally, to do, at the option of the Secured Party, and at the Obligor's expense, at any time, or from time to time, all acts and things which the Secured Party deems necessary to protect, preserve and realize upon the Collateral and the Security Interest granted therein in order to effect the intent of this Security Agreement and the Letter Agreement, all as fully and effectually as the Obligor might or could do; and the Obligor hereby ratifies all that said attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable for the term of this Security Agreement and thereafter as long as any of the Obligations shall be outstanding.

(b) On a continuing basis, the Obligor will make, execute, acknowledge, deliver, file and record, as the case may be, in the proper filing and recording places in any jurisdiction, including, without limitation, the jurisdictions indicated on **Schedule C**, attached hereto, all such instruments, and take all such action as may reasonably be deemed necessary or advisable, or as reasonably requested by the Secured Party, to perfect the Security Interest granted hereunder and otherwise to carry out the intent and purposes of this Security Agreement, or for assuring and confirming to the Secured Party the grant or perfection of a security interest in all the Collateral.

(c) The Obligor hereby irrevocably appoints the Secured Party as the Obligor's attorney-in-fact, with full authority in the place and stead of the Obligor and in the name of the Obligor, from time to time at the discretion of the Secured Party, to take any action and to execute any instrument which the Secured Party may deem necessary or advisable to accomplish the purposes of this Security Agreement, including the filing, in its sole discretion, of one or more financing or continuation statements and amendments thereto, relative to any of the Collateral without the signature of the Obligor where permitted by law.

13. **Notices**. All notices, requests, demands and other communications hereunder shall be in writing, with copies to all the other parties hereto, and shall be deemed to have been duly given when (i) if delivered by hand, upon receipt, (ii) if sent by facsimile, upon receipt of proof of sending thereof, (iii) if sent by nationally recognized overnight delivery service (receipt requested), the next business day or (iv) if mailed by first-class registered or certified mail, return receipt requested, postage prepaid, four days after posting in the U.S. mails, in each case if delivered to the following addresses:

If to the Obligor: to the address first set forth in the Preambles to this Security Agreement.

With copies to:

If to the Secured Party: to the address first set forth above.

With copies to:

14. Other Security. To the extent that the Obligations are now or hereafter secured by property other than the Collateral or by the guarantee, endorsement or property of any other person, firm, corporation or other entity, then the Secured Party shall have the right, in its sole discretion, to pursue, relinquish, subordinate, modify or take any other action with respect thereto, without in any way modifying or affecting any of the Secured Party's rights and remedies hereunder.

15. Miscellaneous.

(a) No course of dealing between the Obligor and the Secured Party, nor any failure to exercise, nor any delay in exercising, on the part of the Secured Party, any right, power or privilege hereunder or under the Letter Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

(b) All of the rights and remedies of the Secured Party with respect to the Collateral, whether established hereby or by the Letter Agreement or by any other agreements, instruments or documents or by law shall be cumulative and may be exercised singly or concurrently.

(c) This Security Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and is intended to supersede all prior negotiations, understandings and agreements with respect thereto. Except as specifically set forth in this Security Agreement, no provision of this Security Agreement may be modified or amended except by a written agreement specifically referring to this Security Agreement and signed by the parties hereto.

(d) In the event that any provision of this Security Agreement is held to be invalid, prohibited or unenforceable in any jurisdiction for any reason, unless such provision is narrowed by judicial construction, this Security Agreement shall, as to such jurisdiction, be construed as if such invalid, prohibited or unenforceable provision had been more narrowly drawn so as not to be invalid, prohibited or unenforceable. If, notwithstanding the foregoing, any provision of this Security Agreement is held to be invalid, prohibited or unenforceable in any jurisdiction, such provision, as to such jurisdiction, shall be ineffective to the extent of such invalidity, prohibition or unenforceability without invalidating the remaining portion of such provision or the other provisions of this Security Agreement and without affecting the validity or enforceability of such provision or the other provisions of this Security Agreement in any other jurisdiction.

(e) No waiver of any breach or default or any right under this Security Agreement shall be considered valid unless in writing and signed by the party giving such waiver, and no such waiver shall be deemed a waiver of any subsequent breach or default or right, whether of the same or similar nature or otherwise.

(f) This Security Agreement shall be binding upon and inure to the benefit of each party hereto and its successors and assigns.

(g) Each party shall take such further action and execute and deliver such further documents as may be necessary or appropriate in order to carry out the provisions and purposes of this Security Agreement.

(h) This Security Agreement shall be construed in accordance with the laws of the State of California, except to the extent the validity, perfection or enforcement of a security interest hereunder in respect of any particular Collateral which are governed by a jurisdiction other than the State of California in which case such law shall govern. Each of the parties hereto irrevocably submit to the exclusive jurisdiction of any California State or United States federal court sitting in Los Angeles county over any action or proceeding arising out of or relating to this Security Agreement, and the parties hereto hereby irrevocably agree that all claims in respect of such action or proceeding may be heard and determined in such California State or Federal court. The parties hereto agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. The parties hereto further waive any objection to venue in the State of California and any objection to an action or proceeding in the State of California on the basis of forum non conveniens.

(i) EACH PARTY HERETO HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRAIL OF ANY CLAIM OI CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS SECURITY AGREEMENT. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATER O THIS SECURITY AGREEMENT, INCLUDING WITHOUT LIMITATION CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS MATERIAL INDUCEMENT FOR EACH PARTY TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH PARTY HAS ALREADY RELIE ON THIS WAIVER IN ENTERING INTO THIS SECURITY AGREEMENT AND THAT EACH PARTY WILL CONTINUE TO RELY ON THI WAIVER IN THEIR RELATED FUTURE DEALINGS. EACH PARTY FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWEI THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY HAS KNOWINGLY AND VOLUNTARILY WAIVED ITS RIGHTS TO JURY TRIAL FOLLOWING SUCH CONSULTATION. THIS WAIVER IS IRREVOCABLE, MEANING THAT, NOTWITHSTANDING ANYTHIN HEREIN TO THE CONTRARY, IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO AN SUBSEQUENT AMENDMENTS, RENEWALS AND SUPPLEMENTS OR MODIFICATIONS TO THIS SECURITY AGREEMENT. IN THE EVENT OF A LITIGATION, THIS SECURITY AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(j) This Security Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same Security Agreement. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature were the original thereof.

[THE REMAINDER OF THIS PAGE IS LEFT BLANK INTENTIONALLY]

IN WITNESS WHEREOF, the parties hereto have caused this Security Agreement to be duly executed on the day and year first above written.

OBLIGOR:

TARGETED MEDICAL PHARMA, INC.

By: /s/ William E. Shel
Name: William E. Shell, MD
Title: Chief Executive Officer

SECURED PARTY:

AFH HOLDING AND ADVISORY, LLC

By: /s/ Amir F. Heshmatpour
Name: Amir F. Heshmatpour
Title: Managing Director