

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): June 28, 2013

TARGETED MEDICAL PHARMA, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-53071
(Commission
File Number)

20-5863618
(IRS Employer
Identification No.)

2980 Beverly Glen Circle, Suite 301
Los Angeles, California
(Address of principal executive offices)

90077
(Zip Code)

Registrant's telephone number, including area code: **(310) 474-9809**

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation to the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01

Workers' Compensation Receivables Funding, Assignment and Security Agreement

On June 28, 2013, the Company entered into a Workers' Compensation Receivables Funding Assignment and Security Agreement (the "Receivables Funding Agreement") with Cambridge Medical Funding Group, L.L.C. ("CMFG").

Pursuant to the Receivables Funding Agreement, the Company assigned to CMFG future proceeds related to receivables and/or claims with dates of service between the year 2007 and December 31, 2012 which have been generated by the Company through treatment to workers' compensation patients in accordance with California law (the "Funded Receivables"). In consideration for the Fund Receivables, CMFG agreed to pay \$3,280,000 to the Company (the "Funding Amount"). CMFG funded \$750,000 of the Funding Amount on June 30, 2013. The balance of \$2,530,000 will be paid to the Company in July 2013. A closing fee equal to 3% of the Funding Amount will be deducted from the proceeds of the Funding Amount and retained by CMFG.

The Receivables Funding Agreement requires that the Company place \$525,000 of the Funding Amount (the "Escrow Amount") into escrow as a right of offset to be drawn-down by CMFG in the event the Company's collections related to Funded Receivables fail to meet the \$175,000 monthly collection requirements as described in greater detail in the Receivables Funding Agreement. If the collections related to the Funded Receivables are less than \$175,000 in any month prior to CMFG's receipt of a total of \$3,280,000 in collections related to the Funded Receivables, then an amount equal to \$175,000 less the amount paid to CMFG toward the CMFG Monthly Amount (hereinafter defined) will be released from escrow to CMFG. Upon CMFG's receipt of \$1.64 million collections related to the Funded Receivables, \$262,500 (or such lesser amount which is held in escrow) of the Escrow Amount will be released from escrow to the Company. The remaining balance will be released to the Company upon CMFG's receipt of a total of \$3,280,000 in collections related to the Funded Receivables.

CMFG will also be entitled to collect and receive with respect to each individual Funded Receivable of the Funded Receivables a servicing fee equal to 5.0% of the Company's monthly collections for providing primary collection activities on all accounts covered by the Receivables Funding Agreement.

After the payment of certain reimbursement expenses as described in the Funding Receivables Agreement, CMFG will receive and retain the first \$175,000 per month of collections related to Funded Receivables, commencing July 28, 2013. The next \$125,000 in the relevant month's collections will be retained by the Company. The remainder of the relevant month's collections in excess of \$300,000 will be shared equally between the Company and CMFG, with 50% of the remainder in excess of the \$300,000 to be forwarded to (or retained by) each party. Collections of the first \$175,000 per month and CMFG's portion of the monthly collections in excess of \$300,000 related to the Funded Receivables every month thereafter will be remitted to CMFG until such time as \$3,280,000 funding has been recovered by CMFG. Thereafter, collections and distributions shall continue as follows: CMFG will withhold \$525,000 of the Funded Receivables as a right of offset to be drawn down by CMFG in the event the Company's collections related to Funded Receivables fail to meet the monthly collection requirements as detailed in the Receivables Funding Agreement. Upon CMFG's receipt of \$1.64 million collections related to the Funded Receivable, one half of the right of offset amount will be released to the Company. The remaining balance will be released to the Company upon CMFG's receipt of a total of \$3,280,000 in collections related to the Funded Receivables.

The Receivables Funding Agreement includes certain customary representations, warranties and covenants by the Company. A copy of the Receivables Funding Agreement is attached as Exhibit 10.1 hereto and is incorporated by reference herein.

Professional Services and Consulting Agreement

On June 28, 2013, the Company entered into a Professional Services and Consulting Agreement with Cambridge Medical Capital Services, L.L.C. (“CMCS” and the agreement, the “Consulting Agreement”). The Consulting Agreement will continue until such time as all obligations or contemplated transactions detailed in the Common Stock Warrant, as described above and attached hereto as Exhibit 4.1, are met, satisfied and/or completed in their entirety. Pursuant to the Consulting Agreement, CMCS will provide consultation, guidance and assistance to the Company in areas relating to medical receivable billing, billing/management strategies, financing and induction to the financial community. In consideration for CMCS’ services, the Company will pay a one time fee to CMCS in the amount of \$64,000. Such fee will be reduced to \$15,000 in the event that the balance of \$3,280,000, which is due to the Company pursuant to the Receivables Funding Agreement, is not delivered to the Company. A copy of the Consulting Agreement is attached hereto as Exhibit 10.2.

Professional Services and Consulting Agreement

On June 28, 2013, the Company entered into a Professional Services and Consulting Agreement with James Giordano (the “Giordano Consulting Agreement”). The Giordano Consulting Agreement will continue until such time as all obligations or contemplated transactions detailed in the Common Stock Warrant, as described above and attached hereto as Exhibit 4.1, are met, satisfied and/or completed in their entirety. Pursuant to the Giordano Consulting Agreement, Mr. Giordano will provide consultation, guidance and assistance to the Company in areas relating to medical receivable billing, billing/management strategies, financing and induction to the financial community. In consideration for Mr. Giordano’s services, the Company provided Mr. Giordano with the Common Stock Warrant. In the event that the balance of \$3,280,000, which is due to the Company pursuant to the Receivables Funding Agreement, is not delivered to the Company, Mr. Giordano’s will return 1,000,000 warrant shares to the Company. A copy of the Giordano Consulting Agreement is attached hereto as Exhibit 10.3.

Common Stock Warrant

On June 28, 2013, the Company issued a warrant to James Giordano for 1,412,500 shares of the Company’s common stock, no par value per share (the “Common Stock Warrant”). The Common Stock Warrant provides that Mr. Giordano may exercise his warrant on the latter of (i) six months from the date of issuance and (ii) the date on which the Receivables Funding Agreement is fully funded, and on or before June 28, 2023, at a price of \$2.00 per share. The Common Stock Warrant provides for cashless exercise and grants Mr. Giordano piggyback registration rights. A copy of the Common Stock Warrant is attached hereto as Exhibit 4.1.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

The following exhibits are filed with this Current Report on Form 8-K:

Exhibit No.	Description
4.1	Common Stock Warrant dated June 28, 2013.
10.1	Workers' Compensation Receivables Funding, Assignment and Security Agreement dated June 28, 2013.
10.2	Professional Services and Consulting Agreement dated June 28, 2013.
10.3	Professional Services and Consulting Agreement dated June 28, 2013.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: July 3, 2013

TARGETED MEDICAL PHARMA, INC.

By: /s/ William E. Shell

Name: William E. Shell, MD

Title: Chief Executive Office

Exhibit 4.1

THE SECURITIES EVIDENCED BY THIS CERTIFICATE AND THE UNDERLYING SHARES OF COMMON STOCK HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED OR HYPOTHECATED UNLESS THERE IS AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT COVERING SUCH SECURITIES, THE SALE IS MADE IN ACCORDANCE WITH RULE 144 UNDER THE ACT, OR THE COMPANY RECEIVES AN OPINION OF COUNSEL FOR THE COMPANY STATING THAT SUCH SALE, TRANSFER, ASSIGNMENT OR HYPOTHECATION IS EXEMPT FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SUCH ACT.

Warrant No. 34

Number of Shares: 1,412,500
(subject to adjustment)

Date of Issuance: June 28, 2013

TARGETED MEDICAL PHARMA, INC.

Common Stock Warrant

1. **Targeted Medical Pharma, Inc.** (the “Company”), for value received, hereby certifies that James Giordano, or his registered assigns (the “Registered Holder”), is entitled, subject to the terms of this Common Stock Warrant (the “Warrant”) set forth below, to purchase from the Company, commencing on the latter of (i) six months from the date hereof and (ii) the date on which the Funding Amount is paid in full pursuant to the Workers Compensation Receivables Funding Assignment and Security Agreement (the “Agreement”) by and between the Company and the Registered Holder dated as of the date hereof (the “Exercise Date”), and ending on June 28, 2018 (the “Expiration Date”), 1,412,500 shares of the Company’s common stock at a per share exercisable price of \$2.00 (the “Warrant Exercise Price”) subject to adjustment as set forth in Section 2. This Warrant is being issued by the Company to the Registered Holder in connection with the consulting agreement by and between the Registered Holder and the Company. All capitalized terms used and not defined herein shall have the meanings ascribed thereto in the Initial Agreement.

The shares of Common Stock purchasable upon exercise of this Warrant and the exercise price per share, as adjusted from time to time pursuant to the provisions of this Warrant, are hereinafter referred to as the “Warrant Stock” and the “Exercise Price,” respectively.

1. Exercise.

(a) **Method of Exercise.** Subject to the provisions hereof (including, without limitation, Section 1(c) below, this Warrant may be exercised by the Registered Holder, in whole or in part, beginning on the Exercise Date and at any time prior to the Expiration Date, by (i) surrendering this Warrant, with the form appended hereto as Exhibit A duly executed by such Registered Holder, or by such Registered Holder’s duly authorized attorney, at the principal office of the Company, or at such other office or agency as the Company may designate in writing prior to the date of such exercise, accompanied by payment in full of the Exercise Price payable with respect to the number of shares of Warrant Stock purchased upon such exercise, or (ii) by cashless exercise pursuant to Section 1(b) below. If exercised pursuant to subsection 1(a)(i), the Exercise Price must be paid by cash, check or wire transfer in immediately available funds.

(b) **Cashless Exercise.** Notwithstanding any other provision contained herein to the contrary, the Registered Holder may elect to receive, without the payment by the Registered Holder of the aggregate Exercise Price in respect of the shares of Common Stock to be acquired, shares of Common Stock of equal value to the value of this Warrant, or any specified portion hereof, by the surrender of this Warrant (or such portion of this Warrant being so exercised) together with a Cashless Exercise Election Notice, in the form annexed hereto as Exhibit B, duly executed, to the Company. Thereupon, the Company shall issue to the Registered Holder such number of fully paid, validly issued and nonassessable shares of Common Stock as is computed using the following formula:

$$X = \frac{Y (A - B)}{A}$$

where

X = the number of shares of Common Stock to which the Registered Holder is entitled upon such cashless exercise;

Y = the total number of shares of Common Stock covered by this Warrant for which the Registered Holder has surrendered purchase rights at such time for cashless exercise (including both shares to be issued to the Registered Holder and shares as to which the purchase rights are to be canceled as payment therefor);

A = the "Market Price" (as defined below) of one share of Common Stock as at the date the net issue election is made; and

B = the Warrant Exercise Price in effect under this Warrant at the time the cashless exercise election is made.

For the purposes of this Section 1(b), "Market Price" as of a particular date (the "Valuation Date") shall mean the following: (a) if the Common Stock is then listed on a national stock exchange, the closing sale price of one share of Common Stock on such exchange on the last trading day prior to the Valuation Date; (b) if the Common Stock is then quoted on the Financial Industry Regulatory Authority, Inc.'s OTC Bulletin Board (the "Bulletin Board") or such similar quotation system or association, the closing sale price of one share of Common Stock the Bulletin Board or such other quotation system or association on the last trading day prior to the Valuation Date or, if no such closing sale price is available, the average of the high bid and the low asked price quoted thereon on the last trading day prior to the Valuation Date; or (c) if the Common Stock is not then listed on a national stock exchange or quoted on the Bulletin Board or such other quotation system or association, the fair market value of one share of Common Stock as of the Valuation Date, as determined in good faith by the Board of Directors of the Company and the Registered Holder. If the Common Stock is not then listed on a national securities exchange, the Bulletin Board or such other quotation system or association, the Board of Directors of the Company shall respond promptly, in writing, to an inquiry by the Registered Holder prior to the exercise hereunder as to the fair market value of a share of Common Stock as determined by the Board of Directors of the Company. In the event that the Board of Directors of the Company and the Registered Holder are unable to agree upon the fair market value in respect of subpart (c) of this paragraph, the Company and the Registered Holder shall jointly select an appraiser, who is experienced in such matters. The decision of such appraiser shall be final and conclusive, and the cost of such appraiser shall be borne equally by the Company and the Registered Holder. Such adjustment shall be made successively whenever such a payment date is fixed.

(c) **Limitations on Exercises.** Notwithstanding anything to the contrary contained in this Warrant, this Warrant shall not be exercisable by the Holder hereof to the extent (but only to the extent) that the Warrant Stock issuable on any exercise of this Warrant is in excess of the average trading daily volume of the Company's common stock during the ten trading days prior to the date of exercise as reported on Bloomberg. To the extent the above limitation applies, the determination of whether this Warrant shall be exercisable or exchangeable (vis-à-vis other convertible, exercisable or exchangeable securities owned by the Holder or any of its Affiliates) and of which such securities shall be exercisable or exchangeable (as among all such securities owned by the Holder) shall, subject to such Maximum Percentage limitation, be determined on the basis of the first submission to the Company for conversion, exercise or exchange (as the case may be

(d) **Effective Time of Exercise.** Each exercise of this Warrant shall be deemed to have been effected immediately prior to the close of business on the day on which this Warrant shall have been surrendered to the Company (the "Exercise Date") as provided in this Section 1. At such time, the person or persons in whose name or names any certificates for Warrant Stock shall be issuable upon such exercise as provided in Section 1(c) below shall be deemed to have become the holder or holders of record of the Warrant Stock represented by such certificates.

(e) **Delivery to Holder.** As soon as practicable after the exercise of this Warrant in whole or in part, and in any event within five (5) business days thereafter (the "Warrant Stock Delivery Date"), the Company at its expense will cause to be issued in the name of, and delivered to, the Registered Holder, or as such Registered Holder (upon payment by such Registered Holder of any applicable transfer taxes) may direct:

(i) a certificate or certificates for the number of shares of Warrant Stock to which such Registered Holder shall be entitled, and

(ii) in case such exercise is in part only, a new warrant or warrants (dated the date hereof) of like tenor, calling in the aggregate on the face or faces thereof for the number of shares of Warrant Stock equal (giving effect to any adjustment therein) to the number of such shares called for on the face of this Warrant minus the number of such shares purchased by the Registered Holder upon such exercise as provided in Section 1(a) or Section 1(c) above.

2. Adjustments.

(a) **Stock Splits and Dividends.** If the outstanding shares of the Company's Common Stock shall be subdivided into a greater number of shares or a dividend in Common Stock shall be paid in respect of Common Stock, the Exercise Price in effect immediately prior to such subdivision or at the record date of such dividend shall simultaneously with the effectiveness of such subdivision or immediately after the record date of such dividend be proportionately reduced. If outstanding shares of Common Stock shall be combined into a smaller number of shares, the Exercise Price in effect immediately prior to such combination shall, simultaneously with the effectiveness of such combination, be proportionately increased. When any adjustment is required to be made in the Exercise Price, the number of shares of Warrant Stock purchasable upon the exercise of this Warrant shall be changed to the number determined by dividing (i) an amount equal to the number of shares issuable upon the exercise of this Warrant immediately prior to such adjustment, multiplied by the Exercise Price in effect immediately prior to such adjustment, by (ii) the Exercise Price in effect immediately after such adjustment.

(b) **Merger Sale, Reclassification, Etc.** In case of any (i) consolidation or merger (including a merger in which the Company is the surviving entity), (ii) sale or other disposition of all or substantially all of the Company's assets or distribution of property to shareholders (other than distributions payable out of earnings or retained earnings), or reclassification, change or conversion of the outstanding securities of the Company or of any reorganization of the Company (or any other corporation the stock or securities of which are at the time receivable upon the exercise of this Warrant) or any similar corporate reorganization on or after the date hereof, then and in each such case the holder of this Warrant, upon the exercise hereof at any time thereafter shall be entitled to receive, in lieu of the stock or other securities and property receivable upon the exercise hereof prior to such consolidation, merger, sale or other disposition, reclassification, change, conversion or reorganization, the stock or other securities or property to which such holder would have been entitled upon such consummation if such holder had exercised this Warrant immediately prior thereto, all subject to further adjustment as provided in Section 2(a) or 2(b); and in each such case, the terms of this Section 2 shall be applicable to the shares of stock or other securities properly receivable upon the exercise of this Warrant after such consolidation, merger, sale or other disposition, reclassification, change, conversion or reorganization.

(c) **Adjustment Certificate.** When any adjustment is required to be made in the Warrant Stock or the Exercise Price pursuant to this Section 2, the Company shall promptly mail to the Registered Holder a certificate setting forth (i) a brief statement of the facts requiring such adjustment, (ii) the Exercise Price after such adjustment and (iii) the kind and amount of stock or other securities or property into which this Warrant shall be exercisable after such adjustment.

3. **Transfers.**

(a) **Unregistered Security.** The holder of this Warrant acknowledges that this Warrant and the Warrant Stock have not been registered under the Securities Act and agrees not to sell, pledge, distribute, offer for sale, transfer or otherwise dispose of this Warrant or any Warrant Stock issued upon its exercise in the absence of (i) an effective registration statement under the Securities Act as to this Warrant or such Warrant Stock and registration or qualification of this Warrant or such Warrant Stock under any applicable U.S. federal or state securities law then in effect or (ii) an opinion of counsel, reasonably satisfactory to the Company, that such registration and qualification are not required. Each certificate or other instrument for Warrant Stock issued upon the exercise of this Warrant shall bear a legend substantially to the foregoing effect.

(b) **Transferability.** Subject to the provisions of Section 4(a) hereof, this Warrant and all rights hereunder are transferable, in whole or in part, to (i) any entity controlling, controlled by or under common control of the Registered Holder, or (ii) to any other proposed transferee by surrendering the Warrant with a properly executed assignment (in the form of Exhibit B hereto) at the principal office of the Company.

(c) **Warrant Register.** The Company will maintain a register containing the names and addresses of the Registered Holders of this Warrant. Until any transfer of this Warrant is made in the warrant register, the Company may treat the Registered Holder of this Warrant as the absolute owner hereof for all purposes; provided, however, that if this Warrant is properly assigned in blank, the Company may (but shall not be required to) treat the bearer hereof as the absolute owner hereof for all purposes, notwithstanding any notice to the contrary. Any Registered Holder may change such Registered Holder's address as shown on the warrant register by written notice to the Company requesting such change.

4. **No Impairment.** The Company will not, by amendment of its certificate of incorporation or through reorganization, consolidation, merger, dissolution, sale of assets or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the holder of this Warrant against impairment.

5. **Termination.** This Warrant (and the right to purchase securities upon exercise hereof) shall terminate on the Expiration Date.

6. **Notices of Certain Transactions.** In case:

(a) the Company shall take a record of the holders of its Common Stock (or other stock or securities at the time deliverable upon the exercise of this Warrant) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of stock of any class or any other securities, or to receive any other right, to subscribe for or purchase any shares of stock of any class or any other securities, or to receive any other right, or

(b) of any capital reorganization of the Company, any reclassification of the capital stock of the Company, any consolidation or merger of the Company, any consolidation or merger of the Company with or into another corporation (other than a consolidation or merger in which the Company is the surviving entity), or any transfer of all or substantially all of the assets of the Company, or

(c) of the voluntary or involuntary dissolution, liquidation or winding-up of the Company,

then, and in each such case, the Company will mail or cause to be mailed to the Registered Holder of this Warrant a notice specifying, as the case may be, (i) the date on which a record is to be taken for the purpose of such dividend, distribution or right, and stating the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up is to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other stock or securities at the time deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up) are to be determined. Failure to send such notice shall not invalidate any such action

7. **Reservation of Stock.** The Company covenants that it shall at all times have authorized, reserve and keep available, solely for the issuance and delivery upon the exercise of this Warrant, such shares of Warrant Stock and other stock, securities and property, as from time to time shall be issuable upon the exercise of this Warrant. The Company covenants that all Warrant Stock that may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue). The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of executing stock certificates to execute and issue the necessary certificates for the Warrant Shares upon the exercise of the purchase rights under this Warrant by the Holder. The Company will take all such reasonable action as may be necessary to assure that such Warrant Stock may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of the OTC Bulletin Board, exchange, trading market or other inter-dealer electronic quotation system upon which the Common Stock may be listed.

8. **Exchange of Warrants.** Upon the surrender by the Registered Holder of any Warrant or Warrants, properly endorsed, to the Company at the principal office of the Company, the Company will, subject to the provisions hereof, issue and deliver to or upon the order of such Registered Holder, at the Company's expense, a new Warrant or Warrants of like tenor, in the name of such Registered Holder or as such Registered Holder (upon payment by such Registered Holder of any applicable transfer taxes) may direct, calling in the aggregate on the face or faces thereof for the number of shares of Common Stock called for on the face or faces of the Warrant or Warrants so surrendered.

9. **Replacement of Warrants.** Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and (in the case of loss, theft or destruction) upon delivery of an indemnity agreement (with surety if reasonably required) in an amount reasonably satisfactory to the Company, or (in the case of mutilation) upon surrender and cancellation of this Warrant, the Company will issue, in lieu thereof, a new Warrant of like tenor.

10. **Piggyback Registration Rights.** If the Company proposes to register any of its Common Stock either for its own account or the account of a security holder:

(a) The Company shall use its best efforts to include in such registration (and any related qualification under blue sky laws or other compliance) all how many is that the underlying shares of Common Stock to be issued under this Warrant.

(b) All registration expenses incurred in connection with any registration, qualification or compliance pursuant to Sections 10(a) hereof, shall be borne by the Company.

(c) Notwithstanding the foregoing, if the managing underwriter of any such offering determines that the number of shares proposed to be sold by the Company, by other shareholders having piggy-back rights, and/or by the Holder is greater than the number of shares which the underwriter believes feasible to sell at the time, at the price and upon the terms approved by the Company, then the number of shares which the underwriter believes may be sold shall be allocated for inclusion in the registration statement in the following order of priority: (i) shares being offered by the Company; and (ii) pro rata among the other shareholders and the Holder, based on the number of shares of Common Stock each shareholder requested to be registered. The Company shall have the right to designate the managing underwriter in respect of a public offering pursuant to this Section 10. Except out offerings that contractually not permit piggybacks

11. **Notices.** Any notice required or permitted by this Warrant shall be in writing and shall be deemed duly given upon receipt, when delivered personally or by courier, overnight delivery service or confirmed facsimile, or 48 hours after being deposited in the regular mail as certified or registered mail (airmail if sent internationally) with postage prepaid, addressed (a) if to the Registered Holder, to the address of the Registered Holder most recently furnished in writing to the Company and (b) if to the Company, to the address set forth on the signature page of this Warrant or as subsequently modified by written notice to the Registered Holder.

12. **No Rights as Stockholder.** Until the exercise of this Warrant, the Registered Holder of this Warrant shall not have or exercise any rights by virtue hereof as a stockholder of the Company.

13. **No Fractional Shares.** No fractional shares of Common Stock will be issued in connection with any exercise hereunder. In lieu of any fractional shares which would otherwise be issuable, the Company shall round the amount of Warrant Stock issuable to the nearest whole share.

14. **Amendment or Waiver.** Any term of this Warrant may be amended or waived upon written consent of the Company and the Registered Holder.

15. **Headings.** The headings in this Warrant are for purposes of reference only and shall not limit or otherwise affect the meaning of any provision of this Warrant.

16. **Governing Law.** This Warrant and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of law.

17. **Representations and Covenants of the Holder.** This Warrant has been entered into by the Company in reliance upon the following representations and covenants of the Registered Holder:

(a) **Investment Purpose.** The Registered Holder is acquiring the Warrant and the Common Stock issuable upon exercise of the Warrant for its own account, not as a nominee or agent and with no present intention of selling or otherwise distributing any part thereof.

(b) **Private Issue.** The Registered Holder understands: (i) that neither the Warrant nor the Warrant Stock is, nor will be, registered under the Securities Act or qualified under applicable state securities laws on the ground that the issuance contemplated by this Warrant will be exempt from the registration and qualifications requirements thereof pursuant to Section 4(2) of the Securities Act and any applicable state securities laws, and (ii) that the Company's reliance on such exemption is predicated on the representations set forth in this Section 17.

(c) **Disposition of Holder's Rights.** In no event will the Registered Holder make a disposition of the Warrant or the Common Stock issuable upon exercise of the Warrant in the absence of (i) an effective registration statement under the Securities Act as to this Warrant or such Warrant Stock and registration or qualification of this Warrant or such Warrant Stock under any applicable U.S. federal or state securities law then in effect or (ii) an opinion of counsel, reasonably satisfactory to the Company, that such registration and qualification are not required. Notwithstanding the foregoing, the restrictions imposed upon the transferability of any of its rights to acquire Common Stock or Common Stock issuable on the exercise of such rights do not apply to transfers from the beneficial owner of any of the aforementioned securities to its nominee or from such nominee to its beneficial owner, and shall terminate as to any particular share of Common Stock when (i) such security shall have been effectively registered under the Securities Act and sold by the holder thereof in accordance with such registration or (ii) such security shall have been sold without registration in compliance with Rule 144 under the Securities Act, or (iii) a letter shall have been issued to the Registered Holder at its request by the staff of the Securities and Exchange Commission or a ruling shall have been issued to the Registered Holder at its request by the Securities and Exchange Commission stating that no action shall be recommended by such staff or taken by the Securities and Exchange Commission, as the case may be, if such security is transferred without registration under the Securities Act in accordance with the conditions set forth in such letter or ruling and such letter or ruling specifies that no subsequent restrictions on transfer are required. Whenever the restrictions imposed hereunder shall terminate, as hereinabove provided, the Registered Holder or holder of a share of common stock then outstanding as to which such restrictions have terminated shall be entitled to receive from the Company, without expense to such holder, one or more new certificates for the Warrant or for such shares of Common Stock not bearing any restrictive legend.

(d) **Financial Risk.** The Registered Holder has such business and financial experience as is required to give it the capacity to protect its own interests in connection with its investment.

(e) **Accredited Investor.** The Registered Holder is an “accredited investor” as defined by Rule 501 of Regulation D under the Securities Act, as presently in effect.

18. **Representations and Warranties of the Company.** This Warrant has been entered into by the Registered Holder in reliance upon the following representations and covenants of the Company:

(a) **Authorization.** The Warrant has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company enforceable in accordance with its terms, subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors and rules of law governing specific performance, injunctive relief or other equitable remedies.

(b) **Valid Issuance.** The Warrant Stock is duly authorized and reserved for issuance, and when issued, sold and delivered in accordance with the terms of this Warrant will be duly and validly issued, fully paid and nonassessable.

(c) **No Conflict.** The execution and delivery of this Warrant do not, and the consummation of the transactions contemplated hereby will not, conflict with, or result in any violation of, breach or default (with or without notice or lapse of time, or both), or give rise to a right of termination, cancellation or acceleration of any obligation or to a loss of a material benefit, under, any provision of the Certificate of Incorporation or bylaws of the Company, any material agreement of the Company filed with the Commission, or any order, decree, statute, law, ordinance, rule, listing requirement or regulation applicable to the Company, its properties or assets, which conflict, violation, default or right would have a material adverse effect on the business, properties, prospects, financial condition or operations of the Company.

19. **Counterparts.** This Warrant may be executed in counterparts, and each such counterpart shall be deemed an original for all purposes.

[SIGNATURES TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Warrant as of the date first above written.

TARGETED MEDICAL PHARMA, INC.

By _____

Name: David Silver

Title: Vice President and COO

REGISTERED HOLDER

JAMES N. GIORDANO

By _____

Name: James N. Giordano

Address: 316 Greenway Road
Ridgewood, NJ 07450

Exhibit A

WARRANT EXERCISE FORM

The undersigned hereby irrevocably elects to exercise the within Warrant to the extent of purchasing _____ shares of Common Stock of Targeted Medical Pharma, Inc., a Delaware corporation, and hereby makes payment of \$ _____ in payment therefore, all in accordance with the terms and conditions of the Warrant dated December 19, 2012????.

Name: _____

Signature: _____

Signature of joint holder (if applicable): _____

Date: _____

INSTRUCTIONS FOR ISSUANCE OF STOCK

(if other than to the registered holder of the within Warrant)

Name: _____

Address: _____

Social Security or Taxpayer Identification Number of Recipient: _____

Exhibit B

CASHLESS EXERCISE ELECTION NOTICE

The undersigned hereby elects under Section 1(b) of this Warrant to surrender the right to purchase [_____] shares of Common Stock of Targeted Medical Pharma, Inc., a Delaware corporation, pursuant to this Warrant and hereby requests the issuance of [_____] shares of Common Stock. The certificate(s) for the shares issuable upon such net issue election shall be issued as follows:

Name: _____

Signature: _____

Signature of joint holder (if applicable): _____

Date: _____

INSTRUCTIONS FOR ISSUANCE OF STOCK

(if other than to the registered holder of the within Warrant)

Name: _____

Address: _____

Social Security or Taxpayer Identification Number of Recipient: _____

Exhibit C

ASSIGNMENT FORM

FOR VALUE RECEIVED, _____ hereby sells, assigns and transfers unto _____ the right to purchase Common Stock of Targeted Medical Pharma, Inc., a Delaware corporation, represented by this Warrant to the extent of shares as to which such right is exercisable and does hereby irrevocably constitute and appoint _____, Attorney, to transfer the same on the books of the Company with full power of substitution in the premises.

Date: _____

Signature: _____

Signature of joint holder (if applicable):

Exhibit 10.1

**WORKERS' COMPENSATION RECEIVABLES FUNDING,
ASSIGNMENT AND SECURITY AGREEMENT (CA)**

This Agreement is being entered into and shall be effective as of the ___ day of June 2013 (the "Effective Date"), by, between and among TARGETED MEDICAL PHARMA, INC. (collectively "TMP"), a Delaware corporation with principal offices located at 2980 Beverly Glen Circle, Suite 301, Los Angeles, CA 90077 with an Employer Identification Number of _____ and CAMBRIDGE MEDICAL FUNDING GROUP, L.L.C., a Delaware limited liability company with a principal office located 266 Harristown Road, Suite 300, Glen Rock, NJ 07452, together with its successors and/or assigns (collectively "CMFG").

RECITALS

A. CMFG is engaged in, among other things, the business of funding medical providers and/or pharmaceutical companies related receivables, including those payable from the proceeds of claims for California Workers' Compensation (WC) benefits, pursuant to California Labor Code § 4600, in compliance with California law.

B. TMP is a pharmaceutical company that sells and/or distributes prescription medical foods, products and/or supplements to doctors in accordance with California law. TMP maintains a medical billing and claims processing subsidiary that provides billing services, including but not limited to Independent Bill Review (IBR) filing, lien filing and lien activation requirements in compliance with California law. Both TMP and its medical billing and claims processing subsidiary (collectively referred to herein as "TMP") abide by all necessary criteria in The California Labor Code, with changes codified by Senate Bill 863, including but not limited to IBR filing, lien filing and lien activation requirements in Labor Code Sections 4903.05, 4903.06 and 4903.07, to ensure payment of WC benefits to TMP by insurance carriers related to Funded Receivables. TMP agrees to pay for EDEX services, an internet case notification and status system, related to all Funded Receivables, as defined and/or detailed herein.

C. TMP wishes to have the ability to assign to CMFG future proceeds related to Funded Receivables upon the terms and the conditions set forth herein.

D. CMFG wishes to fund and accept an assignment of the future proceeds related to the Funded Receivables as defined herein based upon the representations made by TMP in §3 below. CMFG hereby accepts TMP's offer to allow TMP's medical billing and claims processing subsidiary to continue claims processing/billing, IBR filing, lien filing and lien activation services related to Funded Receivables as part of the contractual obligations and transaction as detailed herein.

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein, the parties agree as follows:

1. DEFINITIONS.

For purposes of the Agreement, the following terms are defined herein as follows:

1.1 **“Funded Receivables”** means those receivables and/or claims with dates of service between the year 2007 and December 31, 2012, which have already been generated by TMP through treatment to WC patients in accordance with California law, are being funded by CMFG, are listed on **Exhibit A** attached hereto and incorporated herein, and where the future proceeds related to such receivables have been and/or shall be assigned hereunder to CMFG . TMP has ensured that the underlying claim(s) that relate to these receivables have not been previously paid by any insurance carrier or The State Fund and that the available claims benefits under any relevant policy have not been exhausted, and/or have not been closed. An associated assignment of benefits has been provided to TMP for each such receivable, and shall be re-assigned to CMFG by TMP.

1.2 **“Transaction Documents”** means all instruments including the Agreement, the Exhibits hereto, the prevailing California Official Medical Fee Schedule and any other agreements, managed care contracts, financing statements, WC litigation documents, WC contractual materials between the WC insurance carrier and TMP and instruments referenced or contemplated in this Agreement, and/or which the parties hereto agree to execute, deliver, and/or exchange on, or before the effective date of the Agreement, or in the performance of the Agreement hereafter, including any agreement between TMP or CMFG and a third-party, to which either CMFG or TMP is not a party, but the subject of which relates to the rendering of treatment to the WC patients referenced in the Funded Receivables.

1.3 **“Closing Fee”** shall mean and/or be equal to the product of 3.0% and the Funding Amount. The Closing Fee is a non-refundable fee and will be earned and payable to CMFG on the date of full execution of the instant Agreement and shall be deducted from the proceeds of the Funding Amount.

1.4 **“Servicing Fee”** shall mean and/or be equal to 5.0% of the total amount of TMP’s monthly collections on Funded Receivables.

1.5 **“Unpaid Funding Balance”** shall mean \$3,280,000 less the total amount of monthly collections paid to-date to CMFG by TMP .

2. FUNDING AND ASSIGNMENT OF FUTURE PROCEEDS RELATED TO FUNDED RECEIVABLES.

2.1 **Funding Amount** In consideration for assignment of all future proceeds related to the Funded Receivables to CMFG, CMFG shall fund to TMP a sum of 3,280,000 (the “Funding Amount”). CMFG shall provide TMP with funding of \$750,000 on or prior to June 30, 2013 with the balance of \$2,530,000 to follow thereafter to TMP by July 31, 2013. A Closing Fee equal to 3% of the Funding Amount shall be deducted from the proceeds of the Funding Amount and retained by CMFG.

2.2 **Escrow.** \$525,000 of the Funding Amount (the “Escrow Amount”) shall be placed into escrow as a right of offset to be drawn-down by CMFG in the event TMP’s collections related to Funded Receivables fail to meet the \$175,000 monthly collection requirements as set forth in Section 2.4 of this Agreement. If the collections related to the Funded Receivables are less than \$175,000 in any month prior to CMFG’s receipt of a total of \$3,280,000 in collections related to the Funded Receivables, then an amount equal to \$175,000 less the amount paid to CMFG toward the CMFG Monthly Amount (hereinafter defined) shall be released from escrow to CMFG. Upon CMFG’s receipt of \$1.64 million collections related to the Funded Receivables, \$262,500 (or such lesser amount which is held in escrow) of the Escrow Amount shall be released from escrow to TMP. The remaining balance shall be released to TMP upon CMFG’s receipt of a total of \$3,280,000 in collections related to the Funded Receivables.

2.3 **Assignments of Future Proceeds related to the Funded Receivables to CMFG.** In consideration for the Funding Amount, TMP agrees to assign the potential future proceeds related to the Funded Receivables detailed in **Exhibit A** to this Agreement to CMFG. The Funding Amount is non-refundable. There is a hold back amount of the Funding Amount in the amount of \$525,000 per Section 2.2 to be placed in Escrow, per the provisions of Section 2.2.

2.4 **Servicing Fee.** CMFG shall be also be entitled to collect and receive with respect to each, individual Funded Receivable of the Funded Receivables (i) the amount owed on the claim and (ii) a Servicing Fee which shall equal 5.0% of TMP’s monthly collections for providing primary collection activities on all accounts covered under this agreement.

2.5 **Transfer of Rights in Funded Receivables.** Other than the payments set forth in Section 2.6 of this Agreement, TMP acknowledges and agrees that, any and all legal and equitable rights, title and interest TMP may have had in the Funded Receivables where the future proceeds have been so assigned to CMFG, shall forever be transferred to CMFG; TMP will not retain any right whatsoever to recover any payments from insurers, or from the proceeds of any settlement or judgment recovered by, or behalf of WC patients by their attorneys other than as set forth herein; TMP agrees to immediately forward any such payments it may receive relating to the Funded Receivables as provided in this Agreement to CMFG. CMFG’s interest in the Funded Receivables shall be secured by a first lien and perfected security interest in the proceeds of all Funded Receivables, where the parties herein agreed that their estimated face value is forty-six million dollars (\$46,000,000).

A. Monthly Division of Collections on Funded Receivables. After the payment of the TMP Reimbursable Expenses (hereinafter defined) and CMFG’s Reimbursable Expenses (hereinafter defined), CMFG shall receive and retain the first \$175,000 per month of collections related to Funded Receivables (the CMFG Monthly Amount”), commencing thirty (30) days from complete execution of this Agreement. The next \$125,000 in the relevant month’s collections shall be retained by TMP (the “TMP Monthly Amount”). The remainder of the relevant month’s collections in excess of \$300,000 shall equally be shared between TMP and CMFG, with 50% of the remainder in excess of the \$300,000 to be forwarded to (or retained by) each party. Collections of the first \$175,000 per month and CMFG’s portion of the monthly collections in excess of \$300,000 related to the Funded Receivables every month thereafter shall be remitted to CMFG until such time as \$3,280,000 funding detailed in §2.1, has been recovered by CMFG. Thereafter, collections and distributions shall continue as follows: CMFG shall withhold \$525,000 of the Funded Receivables as a right of offset to be drawn down by CMFG in the event TMP’s collections related to Funded Receivables fail to meet the monthly collection requirements as detailed in the instant paragraph. Upon CMFG’s receipt of \$1.64 million collections related to the Funded Receivable, one half of the right of offset amount shall be released to TMP. The remaining balance shall be released to TMP upon CMFG’s receipt of a total of \$3,280,000 in collections related to the Funded Receivables.

2.6 **Collections.** All collections related to the Funded Receivables shall be applied in the following manner:

1. the period when the Unpaid Funding Balance is greater than zero (the “*Waterfall Period*”): (a) to CMFG, the CMFG Monthly Amount, the Servicing Fee and its reimbursable expenses and enforcement expenses (as set forth in Section xxii of Article 3), if any; to CMFG, during the period when the Unpaid Funding Balance is greater than zero (the “*Waterfall Period*”), (b) to TMP, the TMP Monthly Amount and its reimbursable expenses, (c) and the balance to be shared equally.
2. After the Waterfall Period: (a) to CMFG, the Servicing Fee, its reimbursable expenses and enforcement expenses, if any, and 45% of remaining collections and (b) to TMP, any remaining amounts.

3. **REPRESENTATIONS, WARRANTIES AND COVENANTS**

3.1 TMP represents, warrants and covenants to CMFG related to it and all of its wholly owned subsidiaries as follows:

i. That it is duly qualified, properly licensed and is authorized to produce, sell and distribute medical/pharmaceutical foods/products.

ii. That prior to assignment of the future proceeds related to the Funded Receivables to CMFG, it has/had a one hundred percent ownership, legal, financial and/or security interest in the full amount of the Funded Receivables and full power and authority to assign the future proceeds related to the Funded Receivables to CMFG.

iii. That it has full legal capacity to execute and deliver, and to perform and carry out all of their respective obligations under this Agreement, and it also possesses all necessary federal, state and local permits, licenses and any other ownership and/or financial interest required to assign one hundred percent of the future proceeds related to the Funded Receivables to CMFG.

iv. That it is in compliance with the Health Insurance Portability and Accountability Act of 1996, 42 U.S.C. Section 1320d, et. seq., and regulations promulgated thereunder, as amended from time to time (statute and regulations hereinafter collectively referred to as "HIPAA"), that it shall comply with HIPAA and that it has executed CMFG's Business Associate Agreement.

v. That it does not have any intentions of dissolution of its corporation and/or intentions of changing ownership.

vi. That if it receives any form of notice after the execution of this agreement regarding a lawsuit, action, or legal, administrative, arbitration or other proceeding or governmental and/or insurance carrier investigation pending or threatened that could adversely affect the ability of CMFG to collect on the Funded Receivables, it shall provide written notice of same to CMFG within five (5) business days of receipt of such notification.

vii. That it will take all necessary action to file liens where necessary for payment by the carriers and/or activate liens before December 31, 2013, where liens were already filed prior to January 1, 2013.

viii. That, when needed, it will pay for EDEX searches and inquiries, an internet case notification and status system, related to all Funded Receivables.

ix. That it will not and has not sold, pledged or assigned, either directly or collaterally, any of the Funded Receivables to any person or entity other than to the CMFG. No other party has any rights or claims to the Funded Receivable or the proceeds thereof. There are no agreements with any other parties restricting TMP's rights to assign the proceeds related to the Funded Receivables.

x. That it agrees to indemnify, defend and hold harmless CMFG from any claim by any third party related to the proceeds of the Funded Receivables assigned under the terms of this Agreement to CMFG. xi. TMP has retained all medical documentation which it believes to support the related services provided by TMP, including any precertification filed and denial of said precertification. That the date of loss for each the Funded Receivables is within five (5) years of the treatment date with proper pre-certification.

xi. To the best of its knowledge, TMP is not in violation of, nor has TMP received notice of any alleged violation of or any citation for noncompliance with, any applicable law relating to the Funded Receivables or the operations or practices of TMP. The business and the operations or practices of each of the TMPs conform in all respects with all applicable laws applicable to Provider Assignor's operation thereof. To the best of its knowledge, TMP is not under investigation with respect to any violation of any applicable law, order or judgment entered into by any governmental authority applicable to the Funded Receivable or the conduct of its business. TMP is not aware of any proposed laws, rules, regulations, ordinances, orders, judgments, decrees, governmental takings, condemnations or other proceedings that would be applicable to the business, operations or properties of TMP and that might adversely affect the properties, assets, liabilities, operations, or prospects for CMFG to collect the proceeds of the Funded Receivables .

xii. That there is no suit, action, or legal, administrative, arbitration or other proceeding or governmental investigation pending or threatened that could adversely affect the ability of CMFG to collect the Funded Receivables.

xiii. That there are no known liabilities relating to the Funded Receivables of any kind whatsoever, whether direct, indirect, accrued, contingent or absolute, and whether or not determined or determinable to which either TMP or CMFG will be subject following consummation of the transactions contemplated hereby.

xiv. That it has not conducted business under any other name.

xv. That, except for this Agreement, it is not party to or bound by any agreement, undertaking or commitment: (A) to merge or consolidate with, or to have TMP acquire all or substantially all of the properties and assets of, any other person or entity; or (B) to sell, lease or exchange all or substantially all of the assets or the business to any other person or entity; or (C) to sell or exchange all or substantially all of the capital stock of the TMP corporation to any other person or entity, or (D) to reorganize the TMP corporation.

xvi. That it is not insolvent or currently in risk of, or contemplating filing, bankruptcy.

xvii. That it is in compliance with and abides by all necessary criteria required by The California Labor Code, including changes codified by Senate Bill 863as amended, to ensure proper treatment, billing, policy and/or procedure to ensure payment of WC benefits by insurance carriers

xviii. That there is no management company and/or billing company involved related to billing and/or collection of Funded Receivables except as detailed herein.

xix. That it will take all necessary action and be responsible for payment for IBR filing and fees associated with it, lien filing and fees associated with it and/or lien activation fees (the "TMP Reimbursable Expenses").

xx. That it shall be responsible for payments related to all of CMFG's reasonable costs and out-of-pocket expenses associated with the Funded Receivables (the CMFG Reimbursable Expenses") and (b) pay, upon receipt, all of CMFG's counsel's invoices for drafting the Funding Amount financing documentation. Additionally, CMFG agrees to cap CMFG's cost of due diligence, counsel fees and the creation of and delivery of the Funding Amount financing documents at 25,000 (the "Diligence and Counsel Fee"). Should additional costs be incurred, they will be distributed as mutually agreed between TMP and CMFG. The Diligence and Counsel Fee shall be paid by TMP upon execution of this Agreement.

3.2 **CMFG Representations.** CMGF represents, warrants and covenants to TMP as follows:

- i. That it has full power and authority to own and operate its businesses as now conducted related the funding and receipt of assignment of Funded Receivables pursuant to the terms of this Agreement, and related to any services or funding it may provide in connection with billing, collecting, processing and lien filing and activation services, or assignment filing and service that are necessary for the parties to perform under the Agreement.
 - ii. That it has full legal capacity to execute and deliver, and to perform and carry out all of their respective obligations under this Agreement, and it also possesses all necessary federal, state and local permits, licenses and certifications, to the extent applicable.
 - iii. That it will comply with and not seek to hinder TMP's compliance with the requirements of California law, as amended, to ensure accurate assignment of the Funded Receivables, including filing and service of the herein assignment in compliance with Labor Code § 4903.8.
 - iv. That it is in compliance with the Health Insurance Portability and Accountability Act of 1996, 42 U.S.C. Section 1320d, et. seq., and regulations promulgated thereunder, as amended from time to time (statute and regulations hereinafter collectively referred to as "HIPAA"), that it shall comply with HIPAA and that it will provide a draft Business Associate Agreement for TMP's review and execution before the parties exchange patient health information.
-

- v. That it does not have any intentions of dissolution of its corporation and/or intentions of changing ownership.
- vi. That if it receives any form of notice after the execution of this Agreement regarding a lawsuit, action, or legal, administrative, arbitration or other proceeding or governmental and/or insurance carrier investigation pending or threatened that could adversely affect the ability of the parties to perform under this Agreement, it shall provide written notice of same to TMP within five (5) business days of receipt of such notification.
- vii. That it will take all necessary action to release and make available collections proceeds to TMP as contemplated by paragraphs 2.4 and 2.6 of this Agreement.
- viii. CMFG is the primary responsible party for collection activity under this agreement after TMP completes, when necessary, all IBR filings, lien filings and/or lien activation requirements.

4. CONFIDENTIALITY AND DUTY TO ADVISE CMFG.

4.1 **Duty to Advise.** TMP agrees not to negotiate or discuss the Funded Receivables or the terms of this Agreement with any person not a party to this Agreement without the prior written consent of CMFG. TMP and its subsidiaries shall use their best efforts to assist CMFG in transferring the interest in the future proceeds related to the Funded Receivable to CMFG and to report to CMFG any material information that either TMP or their agents or employees learn or become aware of related to the Funded Receivable.

4.2 **Confidentiality.** Unless otherwise agreed to by each of the parties in writing, following the execution of this Agreement, the parties to this Agreement shall each hold and shall cause its respective affiliates, employees, auditors, attorneys, representatives and other advisors and agents to hold, all Confidential Information (as defined below) in strict confidence, unless compelled to disclose such information by judicial or administrative process, or, in the opinion of their respective counsel, by other requirements of law, and shall not use to the detriment of the other parties, or release or disclose such Confidential Information to any other person, except to the parties' employees, auditors, attorneys, representatives and other advisors and agents, provided such person(s) shall have first been advised of the confidentiality provision of this Article 4. For purposes hereof, "Confidential Information" shall mean all information concerning the conduct of CMFG's business, the terms of this Agreement, CMFG's clients or potential clients, and any payments made or to be made to TMP or to CMFG by TMP.

5. SECURITY INTEREST.

TMP hereby grants to CMFG an assignment of the potential future proceeds related to the Funded Receivables and/or a senior security interest in all amounts due and owing related to the Funded Receivables. The Funding Amount shall be secured by a first lien perfected security interest in the proceeds of all Funded Receivables of TMP estimated to have a face value of \$46 million at the time of closing, and a first lien upon both the Funded Receivables identified in **Exhibit A**.

6. ADDITIONAL DOCUMENTS AND REPRESENTATIONS.

6.1 **Execution of Additional Documents and Auditing.** TMP agrees to execute and deliver to CMFG, upon request, all such documents, financing statements, or other forms, or instruments, including any amendment thereof, as CMFG may reasonably require for the purpose of effectuating the terms hereof, and the security interest provided for herein, and to the extent allowed under the Uniform Commercial Code (“UCC”); CMFG has the right to audit TMP and any and all of its wholly owned subsidiaries related to billing, claim processing and/or IBR filing, lien filing and activation requirement for Funded Receivables upon three (3) business days written notice TMP hereby authorizes and empowers CMFG to execute in its name, and/or in the names of all of its controlled affiliates, or trade-names, to deliver and file in the appropriate jurisdictions such financing statements (e.g., “UCC 1”), and other instruments as may be required in order to perfect and continue the security interest identified or provided for herein as to all Receivables that are, or may be the subjects of this Agreement, whether or not such Receivable is identified in a Current Schedule, and to renew or amend such instruments from time-to-time as may be reasonably required in order to maintain the security interest herein granted to CMFG; such authorization and empowerment made herein by TMP may be exercised by CMFG without regard to whether or not an authorized representative of TMP is unavailable, and without need to request that any such representative of TMP execute any such instrument.

6.2 **No Other Lien.** TMP further promises, covenants and/or agrees that it has not, and shall not grant or otherwise cause or suffer the existence of any other security interest, pledge, or encumbrance in favor of another party with regard to the Funded Receivables assigned by TMP to CMFG.

6.3 **Defense of CMFG’s Priority.** TMP further promises, covenants and/or agrees to defend the first priority of the assignment (s) and/or security interest(s) granted or intended to be granted to CMFG hereunder against the claims and demands of all persons other than CMFG, and to hold CMFG harmless, and indemnify CMFG as to any and all expenses, including legal fees and litigation costs that may be incurred in enforcing CMFG's rights under the Agreement and any successor or related agreements unless such expenses are a result of CMFG’s negligence or willfull misconduct.

6.4 Power of Attorney and Endorsement and Deposit of Payments. CMFG shall have the right to endorse in the name of TMP, or any affiliated entity controlled by TMP through which it does business or operates under, and to deposit checks that TMP receives from payers on account of Funded Receivables where the future proceeds related to the claims have been assigned to CMFG by TMP according to the terms herein. TMP hereby grants to CMFG a Power of Attorney sufficient to empower CMFG to execute or endorse in the name of TMP, and any controlled affiliates, or other names through which it does business, (i) any financing statement under the Uniform Commercial Code, or other document required in order to perfect and/or record the security interest intended to be granted to CMFG under the Agreement in all Funded Receivables, (ii) any document or instrument required in connection with the negotiation for CMFG's own account, or deposit to CMFG's own account of payments made payable to TMP notwithstanding the prior assignment of the proceeds related to the Funded Receivable(s) in question. Upon request, TMP agrees to execute and deliver a formal "Power of Attorney" substantially in the same form as **Exhibit "B,"** incorporated herein and made a part hereof, conferring upon CMFG all of the foregoing authority to act in its stead.

7. GENERAL TERMS AND CONDITIONS.

7.1 Amendments. Except as provided for herein, the Agreement may not be amended, modified, altered or changed in any respect whatsoever, except by further agreement in writing, duly executed by each of the parties. Either party, with the consent and agreement of the other party, reserves the right to supplement, amend, modify and/or terminate the instant Agreement upon thirty (30) days written notice in the event changes to and/or developments in California or federal law make compliance with the terms as they are detailed herein to be contractually impossible. Reasonable consent for supplementation, amendments, modifications and/or termination shall not be withheld by the parties.

7.2 Construction of Agreement. TMP and CMFG, and their respective attorneys, have participated fully in the review and revision of this Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement inasmuch as TMP, as well as CMFG, had an equal opportunity to negotiate the terms and provisions of this Agreement.

7.3 Successors. This Agreement shall be binding on and inure to the benefit of the respective successors, assigns and personal representatives of the parties, except to the extent of any contrary provision in this Agreement.

7.4 Assignment. TMP may not assign this Agreement without the express prior written consent of CMFG, except to a successor or affiliated entity having substantially the same ownership as TMP, and such ownership must be documented and verified to CMFG. CMFG may not assign this Agreement without the express prior written consent of TMP, except to a successor or affiliated entity having substantially the same ownership as CMFG, and such ownership must be documented and verified to TMP.

7.5 **No Third Party Beneficiary**. No person, natural or legal, who or which is not a party to the Agreement shall be deemed a third-party beneficiary hereof, or to have any right to demand or obtain from any party hereto any benefit provided for hereunder, or to have enforced against a party hereto any obligation imposed on that party hereunder.

7.6 **Governing Law**. The Agreement is executed and intended to be performed in the State of California, and the laws of that State, as well as the United States, shall govern its interpretation, enforcement and effect.

7.7 **Complete Agreement**. The making, execution and delivery of this Agreement by the parties has not been induced by any representations, statements, warranties or agreements other than those expressed in the Agreement. The Agreement and the exhibits and other documents referred to herein embody the entire understanding of the parties. Except for those agreements specifically referred to herein, there are no other agreements or understandings, written or oral, in effect between the parties relating to the subject matter of the Agreement.

7.8 **Severability**. If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms and conditions of the Agreement shall remain in full force and effect, and shall in no way be affected, impaired or invalidated.

7.9 **Notices**. All notices and demands required or permitted under this Agreement shall be sent to the respective addresses listed in the first paragraph. All notices shall be in writing, containing the information required by this Agreement to be communicated to any person, and, except with respect to such notices as the Agreement specifically provides may be delivered by facsimile transmission, shall be either personally delivered to such party or sent either by first class and certified mail, mail, postage prepaid, or by reputable overnight air courier service, in either case providing for proof of delivery.

7.10 **No Waiver**. The parties to this Agreement shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by a principal officer or director of the party giving the waiver. No delay or omission on the part of the parties in exercising any right arising hereunder or under any related writing, shall operate as a waiver of such right or any other right. A waiver by the parties of the right to enforce a provision of the Agreement, pursuant to a particular circumstance, shall not prejudice or constitute a waiver by a party of its right to otherwise demand strict compliance of the other party's obligations under that provision of or any other provision of the Agreement. No prior waiver by any of the parties shall constitute a waiver of the other parties' obligations as to any future transactions.

7.11 **Further Assurances.** Each party will do such other and further acts, including executing and delivering additional agreements or instruments as the other may reasonably require, to consummate, evidence or confirm the agreements, representations and understandings contained in the Agreement.

7.12 **Gender.** The male, female or neutral gender form used in the Agreement shall be deemed to include any gender reasonably within the contemplation of its provisions. The use of singular usage shall include the plural usage and the use of the plural usage shall include the singular usage.

7.13 **Time of the Essence.** Time is of the essence throughout the term of this Agreement for every provision in which time is an element. No extension of time for performance of any act shall be deemed an extension of time for the performance of any other act required hereunder.

7.14 **Cumulative Remedies.** The various rights, options, elections, powers and remedies under the Agreement, or granted by law shall be construed as cumulative. No single right is exclusive of any of the other rights.

7.15 **Recitals.** The Recitals set forth above and all Exhibits to the Agreement are incorporated into the Agreement and are hereby made a part thereof.

7.17 **Counterparts.** The Agreement may be executed in separate counterparts and shall become effective only after all such separate counterparts have been executed and exchanged between the parties hereto. A facsimile signature, assuming it is genuine, shall be regarded as an original signature for purposes of this Agreement and shall have the same force and effect as an original signature upon receipt by the other party. Notwithstanding, the parties shall endeavor to exchange original signature pages promptly thereafter.

7.18 **Attorneys' Fees.** The party prevailing in any action related to the terms and provisions of the Agreement, including but limited to breach remedy, damages for breach, to compel enforcement and/or compliance and/or injunctive relief, shall be entitled to recover its reasonable attorney's fees from the non-prevailing party.

7.19 **Arbitration.** Any dispute or claim in law or equity between the parties arising out of this Agreement shall be decided by neutral, binding arbitration and not by court action. The arbitration shall be held in a mutually agreeable location within the State of California and shall be conducted in accordance with the rules of American Arbitration Association ("AAA"), unless the parties to such arbitration may mutually agree in writing to use different rules and/or arbitrator(s). Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The parties shall have the right to discovery as permitted by the rules of the American Arbitration Association. An action for an injunction for violation of any provision for the non-disclosure of confidential information or trade secrets shall not be subject to arbitration hereunder, unless the parties otherwise mutually agree in writing. The filing of a judicial action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver of the right to arbitrate under this provision. The prevailing party in the arbitration shall be entitled to recover reasonable attorneys' fees and costs from the other party, in addition to any other relief that may be granted to such prevailing party by the arbitrators.

7.20 **Exception to Arbitration.** An action for an injunction for violation of any provision for the non-disclosure of confidential information or trade secrets provisions of this Agreement shall not be subject to arbitration hereunder, unless the parties otherwise mutually agree in writing. In addition, a judicial action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies to enforce the provisions of this Agreement shall not be subject to arbitration hereunder, and may be filed in any court having jurisdiction with respect thereto, within the State of California. However, the filing of such action shall not constitute a waiver of the right to arbitrate any related claims for damages.

7.21 **Notification of Assignment.** If necessary, the parties agree cooperate and assist each other in notifying all necessary parties, including but not limited to insurers, of the assignment of the future proceeds related to the Funded Receivables to CMFG, and CMFG's right to ultimately receive payment of amounts of the Funded Receivables as contemplated by and required under this Agreement. To the extent filing and service of a copy of the herein assignment of the future proceeds related to the Funded Receivables to CMFG is required by California law, including but not limited to Labor Code § 4903.8, the parties hereby agree to cooperate in effectuating such service and filing.

7.22 **No Creation of Partnership or Agency.** The provisions contained herein are not intended to create any partnership, joint venture, agency, or employment relationship between TMP or its subsidiaries CMFG or its subsidiaries.

7.23 **Indemnity.** Each party to this Agreement shall indemnify, defend and hold the other party harmless against any and all claims, actions, obligations, costs, and expenses (including reasonable costs of investigation and attorneys' fees) and other losses, liabilities and damages resulting from any breach by the party of any provision of this Agreement.

TARGETED MEDICAL PHARMA, INC.

By: David Silver, MD

EXHIBIT "B"
LIMITED IRREVOCABLE POWER OF ATTORNEY

TARGETED MEDICAL PHARMA, INC., located at 2980 Beverly Glen Circle, Suite 301, Los Angeles, CA 90077 respectively, together with its/their successors and/or assigns pursuant to the terms of a certain agreement dated June __, 2013, entitled **WC RECEIVABLES FUNDING, ASSIGNMENT AND SECURITY AGREEMENT** ("the Agreement"), does hereby irrevocably constitute and appoint CMFG as its true and lawful attorney for it, and in its name, place and stead, only for the following purposes contemplated and authorized:

- A. To execute or endorse in the name of TARGETED MEDICAL PHARMA, INC. and/or David Silver, MD and/or, and any controlled affiliates, or other names through which it does business: (i) any financing statement under the Uniform Commercial Code ("UCC"), or other document required in order to perfect and/or record the security interest intended to be granted to CMFG under the Agreement in all Funded Receivables (as defined in the agreement), (ii) any other document or instrument required in connection with the negotiation for its own account, or for the deposit to its own account of payments made payable to TARGETED MEDICAL PHARMA, INC.
- B. To receive and endorse any and all checks payable to TARGETED MEDICAL PHARMA, INC. which represent payments of the accounts receivables referred to in the WC Receivables Funding, Assignment, and Security Agreement as Funded Receivables, and
- C. With full power of substitution and revocation, to ask for, collect, demand and receive; to prosecute and sue for, by proceedings or otherwise, in a court of law or equity; to give acquittance for said money or monies due or to become due, or any part thereof, and to withdraw any claims, suits or proceedings pertaining to, or out of the Agreement, or assignments or other instruments or agreements provided for thereunder.

In the event of TARGETED MEDICAL PHARMA, INC. or Dr. David Silver's unavailability or failure upon request to execute any instrument or document which counsel for CMFG may reasonably require be executed for the purposes of effectuating the assignments contemplated in the Agreement, and/or the continuation or perfection of any security interest identified or provided for under the Agreement, including financing statements, termination statement, or other UCC forms, or instruments, or any amendments thereof within one business day of receipt, TARGETED MEDICAL PHARMA, INC. hereby consents to, and authorizes CMFG, as necessary, to execute such instruments on its behalf.

TARGETED MEDICAL PHARMA, INC. understands that by virtue of making this Power of Attorney, it no longer has the exclusive right or authority to take the acts reflected herein, except as otherwise authorized by CMFG.

Except upon the express, written consent of CMFG, which shall not be unreasonably withheld, this instrument may not be revoked or changed by TARGETED MEDICAL PHARMA, INC. during the term of the Agreement, and for so long thereafter as CMFG has failed to receive in full payments due it under the Agreement for all potential future proceeds related to the Funded receivables that have been assigned to CMFG under the Agreement.

TARGETED MEDICAL PHARMA, INC.

By: David Silver, MD

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of _____

On June __, 201__, before me, _____, notary public personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person (s) whose name (s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

Signature of Notary Public

_____ OPTIONAL _____

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this to another form to another document .

Description of attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other than Named Above: _____

PROFESSIONAL SERVICES and CONSULTING AGREEMENT

This Agreement is being entered into and shall be effective as of the 28th day of June 2013 (the "Effective Date"), by, between and among TARGETED MEDICAL PHARMA, INC. (collectively "TMP"), a Delaware corporation with principal offices located at 2980 Beverly Glen Circle, Suite 301, Los Angeles, CA 90077 with an Employer Identification Number of _____ and CAMBRIDGE MEDICAL CAPITAL SERVICES, L.L.C., a Delaware limited liability company with a principal office located 266 Harristown Road, Suite 300, Glen Rock, NJ 07452, together with its successors and/or assigns (collectively "CONSULTANT"), who may hereinafter be referred to collectively as the "Parties" or individually as a "Party".

WHEREAS, TMP requires consulting services in the area of medical receivable financing, billing and management, and Consultant represents that it has the education, training, and experience required by TMP for this effort;

WHEREAS, this Agreement is of mutual interest and benefit to TMP and Consultant and will further the objectives of TMP;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties hereto agree to the following:

1. Services: During the term of this Agreement, Consultant will provide consultation, guidance and assistance to TMP as requested in the areas including but not limited to medical receivable billing, billing/management strategies, financing and introduction to the financial community. The scope of the Services to be provided by the Consultant may be reasonably modified, reduced or expanded. Consultant may be requested to work on other matters, programs and/or projects.

2. Term of Agreement/Termination: The term of this Agreement shall expire at which time all obligations or contemplated transactions detailed in the Common Stock Warrant by TMP with a Date of Issuance of June 28, 2013 are met, satisfied and/or completed in their entirety.

3.
with TMP policy and all applicable local, state and federal requirements. The Parties shall comply with HIPAA and have already executed the Consultant's Business Associate Agreement.

4. Payment: In consideration for its services, TMP will pay Consultant a one time fee of sixty-four thousand dollars (\$64,000.00) upon execution of the instant Agreement. In the event the balance of the \$3,280,000.00 is not delivered to TMP pursuant to the terms in the Workers' Compensation Receivables Funding, Assignment and Security Agreement (CA), dated and effective on June 27, 2013, Consultant's one time fee shall be reduced to \$15,000.00.

5. No Agent: Consultant is solely responsible for payment of all governmental obligations arising in connection with this Agreement. Neither Party nor any of their respective employees or independent contractors is authorized or empowered to act as agent for the other for any purpose and shall not on behalf of the other enter into any contract, warranty, or representation as to any matter, except as specifically allowed herein and limited to the narrowest construction thereof. Neither shall be bound by the acts or conduct of the other. Consultant covenants that he will not at any time represent himself, either directly or by implication, as an agent of TMP or as having authority to bind TMP.

6. Confidentiality: Consultant understands that, in the course of providing professional services hereunder, TMP may disclose to Consultant certain sensitive, confidential personnel and financial information. All such information received, disclosed to, developed or created by Consultant in the course of providing services to TMP shall be confidential and proprietary as to TMP. Consultant shall not disclose confidential and proprietary information to any third party in a manner not directly related to the provision of services hereunder, except with the prior written consent of TMP or where compelled by law. Consultant's confidentiality obligations described herein shall continue for the term of this Agreement and any renewal thereof, and for a period of three (3) years thereafter. With respect to trade secrets, the obligation shall last for so long as the information is treated as a secret by TMP.

7. Assignment: TMP has retained Consultant based, in part, upon his representation of personal skill and qualification to perform the Services as detailed herein. Consultant shall not assign his rights or obligations hereunder without the prior written consent of TMP.

8. Conflicts Of Interest: Consultant represents that there are no conflicts of interest, as concerning the same, between services to be rendered under this Agreement and Consultant's services and employment with other parties. If, during the course of this Agreement, Consultant becomes aware of facts which constitute or may give rise to a conflict of interest, Consultant shall immediately advise TMP, so that it may determine appropriate procedures for managing the same.

9. Indemnification/Hold-Harmless: Each Party shall at all times defend, indemnify and hold harmless the other Party, from and against any and all third party claims, damages, liabilities, costs and expenses.

10. General Provisions:

(a) The failure by either Party to enforce any provision of this Agreement or to timely insist on performance shall not constitute or be construed as a waiver of any right to strictly enforce a contractual provision.

(b) Consultant warrants that its performance of this Agreement does not depend on the acquisition of rights from any third party and will not knowingly infringe on the intellectual property rights of any third party.

4 (c) Any notice provided for in this Agreement shall be in writing and deemed to have been received if sent by United States certified mail, postage pre-paid.
(d) The provisions of this Agreement shall be governed by the laws of the State of New Jersey, and the parties agree that the exclusive forum for any dispute concerning this Agreement shall be the Superior Court of New Jersey, Bergen County.
(e) This Agreement constitutes the entire understanding between the parties regarding this matter and merges any and all prior discussions, representations, promises, and warranties within its scope. There are no representations, warranties or promises not expressly set forth in this Agreement. Except as expressly set forth herein, this Agreement may not be modified, renewed, or extended, except in writing, signed by both parties.

AGREED TO AND ACCEPTED BY:

TARGETED MEDICAL PHARMA, INC.

By: David Silver, MD

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of _____

On June ____, 2013, before me, _____, notary public, personally appeared David Silver, MD, who proved to me on the basis of satisfactory evidence to be the person (s) whose name (s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this to another form to another document.

Description of attached Document

PROFESSIONAL SERVICES and CONSULTING AGREEMENT

This Agreement is being entered into and shall be effective as of the 28th day of June 2013 (the "Effective Date"), by, between and among TARGETED MEDICAL PHARMA, INC. (collectively "TMP"), a Delaware corporation with principal offices located at 2980 Beverly Glen Circle, Suite 301, Los Angeles, CA 90077 with an Employer Identification Number of _____ and JAMES N. GIORDANO, an individual residing at 316 Greenway Road, Ridgewood, NJ 07450, together with its successors and/or assigns (collectively "CONSULTANT"), who may hereinafter be referred to collectively as the "Parties" or individually as a "Party".

WHEREAS, TMP requires consulting services in the area of medical receivable financing, billing and management, and Consultant represents that it has the education, training, and experience required by TMP for this effort;

WHEREAS, this Agreement is of mutual interest and benefit to TMP and Consultant and will further the objectives of TMP;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the parties hereto agree to the following:

- 1. Services:** During the term of this Agreement, Consultant will provide consultation, guidance and assistance to TMP as requested in the areas including but not limited to medical receivable billing, billing/management strategies, financing and introduction to the financial community. The scope of the Services to be provided by the Consultant may be reasonably modified, reduced or expanded. Consultant may be requested to work on other matters, programs and/or projects.
- 2. Term of Agreement/Termination:** The term of this Agreement shall expire at which time all obligations or contemplated transactions detailed in the Common Stock Warrant by TMP with a Date of Issuance of June 28, 2013 are met, satisfied and/or completed in their entirety.
- 3. Compliance With All Laws:** Consultant agrees to perform all services required under this Agreement at the highest standard of quality, and in accordance with TMP policy and all applicable local, state and federal requirements. The Parties shall comply with HIPAA and have already executed the Consultant's Business Associate Agreement.
- 4. Payment:** In consideration for its services, TMP will pay Consultant in the form of a Warrant for TMP Common Stock. The relevant form and document related to the Warrant is annexed hereto and incorporated by reference herein as **Exhibit A**. Consultant may assign the Warrant, the registration rights thereto. Consultant may assign the Services to be provided to TMP as detailed herein. In the event the balance of the \$3,280,000.00 is not delivered to TMP pursuant to the terms in the Workers' Compensation Receivables Funding, Assignment and Security Agreement (CA), dated and effective on June 27, 2013, Consultant shall return 1,000,000 warrants to TMP.

5. No Agent: Consultant is solely responsible for payment of all governmental obligations arising in connection with this Agreement. Neither Party nor any of their respective employees or independent contractors is authorized or empowered to act as agent for the other for any purpose and shall not on behalf of the other enter into any contract, warranty, or representation as to any matter, except as specifically allowed herein and limited to the narrowest construction thereof. Neither shall be bound by the acts or conduct of the other. Consultant covenants that he will not at any time represent himself, either directly or by implication, as an agent of TMP or as having authority to bind TMP.

6. Confidentiality: Consultant understands that, in the course of providing professional services hereunder, TMP may disclose to Consultant certain sensitive, confidential personnel and financial information. All such information received, disclosed to, developed or created by Consultant in the course of providing services to TMP shall be confidential and proprietary as to TMP. Consultant shall not disclose confidential and proprietary information to any third party in a manner not directly related to the provision of services hereunder, except with the prior written consent of TMP or where compelled by law. Consultant's confidentiality obligations described herein shall continue for the term of this Agreement and any renewal thereof, and for a period of three (3) years thereafter. With respect to trade secrets, the obligation shall last for so long as the information is treated as a secret by TMP.

7. Assignment: TMP has retained Consultant based, in part, upon his representation of personal skill and qualification to perform the Services as detailed herein. Consultant shall not assign his rights or obligations hereunder without the prior written consent of TMP.

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(a) The failure by either Party to enforce any provision of this Agreement or to timely insist on performance shall not constitute or be construed as a waiver of any right to strictly enforce a contractual provision.

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(d) The provisions of this Agreement shall be governed by the laws of the State of New Jersey, and the parties agree that the exclusive forum for any dispute concerning this Agreement shall be the Superior Court of New Jersey, Bergen County.

(e) This Agreement constitutes the entire understanding between the parties regarding this matter and merges any and all prior discussions, representations, promises, and warranties within its scope. There are no representations, warranties or promises not expressly set forth in this Agreement. Except as expressly set forth herein, this Agreement may not be modified, renewed, or extended, except in writing, signed by both parties.

AGREED TO AND ACCEPTED BY:

TARGETED MEDICAL PHARMA, INC.

By: David Silver, MD

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of _____

On June __, 2013, before me, _____, notary public, personally appeared David Silver, MD, who proved to me on the basis of satisfactory evidence to be the person (s) whose name (s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this to another form to another document.

Description of attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other than Named Above: _____

JAMES N. GIORDANO

/s/ James N. Giordano

By: James N. Giordano

ACKNOWLEDGMENT

STATE OF NEW JERSEY

)

) SS:

COUNTY OF BERGEN

)

IT IS ACKNOWLEDGED that on June 28, 2013, before me personally appeared James N. Giordano, and fully executed the Agreement herein.



Notary Public

