

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

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934  
(Amendment No, )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement  
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))  
 Definitive Proxy Statement  
 Definitive Additional Materials  
 Soliciting Material Pursuant to §240.14a-12

**ACCESS PHARMACEUTICALS, INC.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required  
 Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.  
1) Title of each class of securities to which transaction applies:  
2) Aggregate number of securities to which transaction applies:  
3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11(set forth the amount on which the filing fee is calculated and state how it was determined):  
4) Proposed maximum aggregate value of transaction:  
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 Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.  
1) Amount Previously Paid:  
2) Form, Schedule or Registration Statement No.:  
3) Filing Party:

4) Date Filed:

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**ACCESS PHARMACEUTICALS, INC.**  
**2600 Stemmons Freeway, Suite 176**  
**Dallas, Texas 75207**  
**(214) 905-5100**

April 23, 2009

To Our Stockholders:

You are cordially invited to attend the Annual Meeting of Stockholders (the "Meeting") of Access Pharmaceuticals, Inc. (the "Company") to be held on Wednesday, May 27, 2009 at 10:00 a.m., local time, at the offices of Bingham McCutchen LLP, 399 Park Avenue, 21st Floor, New York, New York 10022, (212) 705-7000.

The Notice of Annual Meeting and the Proxy Statement that follow describe the business to be considered and acted upon by stockholders of the Company at the Meeting. Please carefully review the information contained in the Proxy Statement.

WHETHER OR NOT YOU PLAN TO ATTEND THE MEETING, IT IS VERY IMPORTANT THAT YOU MARK, SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD IN THE ENVELOPE PROVIDED AS SOON AS POSSIBLE. IF YOU ATTEND THE MEETING, YOU MAY REVOKE THE PROXY AT THAT TIME BY REQUESTING THE RIGHT TO VOTE IN PERSON. YOU MAY ALSO REVOKE THE PROXY AT ANY TIME BEFORE IT IS EXERCISED BY VOTING IN PERSON AT THE MEETING, BY SUBMITTING ANOTHER PROXY BEARING A LATER DATE OR BY GIVING NOTICE IN WRITING TO OUR SECRETARY NOT LATER THAN THE DAY PRIOR TO THE MEETING.

Sincerely,

/s/ Jeffrey B. Davis

Jeffrey B. Davis  
Chief Executive Officer

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**ACCESS PHARMACEUTICALS, INC.**  
**2600 Stemmons Freeway, Suite 176**  
**Dallas, Texas 75207**  
**(214) 905-5100**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**  
to be held on May 27, 2009

PLEASE TAKE NOTICE that the Annual Meeting of Stockholders (the "Meeting") of Access Pharmaceuticals, Inc. (the "Company") will be held at the offices of Bingham McCutchen LLP, 399 Park Avenue, 21st Floor, New York, New York 10022, on Wednesday, May 27, 2009, at 10:00 a.m., local time, for the following purposes:

1. To elect three Class 2 Directors to hold office for a term of three years and until their successors are elected and qualified.
2. To consider and act upon a proposal to ratify the appointment of Whitley Penn LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2009.
3. To transact such other business as may properly come before the Meeting or any postponements or adjournments thereof.

Stockholders of record at the close of business on April 2, 2009, the record date for the Meeting (the "Record Date"), are entitled to receive notice of, and to vote at, the Meeting and any adjournment or postponement thereof.

Information relating to the proposals described above is set forth in the accompanying Proxy Statement dated April 23, 2009. Please carefully review the information contained in the Proxy Statement, which is incorporated into this Notice. Our Annual Report for the fiscal year ended December 31, 2008 accompanies the Proxy Statement.

Stockholders are cordially invited to attend the Meeting in person. YOUR VOTE IS IMPORTANT. If you do not expect to attend the Meeting, or if you do plan to attend but wish to vote by proxy, please complete, date, sign and mail the enclosed proxy card in the return envelope provided addressed to Access Pharmaceuticals, Inc., c/o American Stock Transfer & Trust Company, 40 Wall Street, 46th Floor, New York, New York 10005. Proxies will also be accepted by transmission of a facsimile provided that such facsimile contains sufficient information from which it can be determined that the transmission was authorized by the stockholder delivering such proxy. American Stock Transfer & Trust Company's fax number is (718) 234-2287.

By Order of the Board of Directors,

/s/ Jeffrey B. Davis

Jeffrey B. Davis  
Chief Executive Officer  
Dallas, Texas  
April 23, 2009

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**ACCESS PHARMACEUTICALS, INC.**  
**2600 Stemmons Freeway, Suite 176**  
**Dallas, Texas 75207**  
**(214) 905-5100**

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**PROXY STATEMENT**

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**ANNUAL MEETING OF STOCKHOLDERS**  
**To Be Held On May 27, 2009**

This Proxy Statement is furnished by Access Pharmaceuticals, Inc., a Delaware corporation (the "Company"), to holders of its common stock, par value \$.01 per share (the "Common Stock"), and to holders of its preferred stock, par value \$.01 per share (the "Preferred Stock"), in connection with the solicitation of proxies by our Board of Directors (the "Board") for use at our Annual Meeting of Stockholders (the "Meeting"), and at any and all adjournments or postponements thereof. The Meeting will be held on Wednesday, May 27, 2009 at 10:00 a.m., local time, at the offices of Bingham McCutchen LLP, 399 Park Avenue, 21st Floor, New York, New York 10022. This Proxy Statement and the accompanying form of proxy is first being sent to holders of Common Stock and Preferred Stock on or about April 24, 2009. Our mailing address and the location of our principal executive offices is 2600 Stemmons Freeway, Suite 176, Dallas, Texas 75207. Our telephone number is (214) 905-5100.

A stockholder signing and returning the enclosed proxy may revoke it at any time before it is exercised by voting in person at the Meeting, by submitting another proxy bearing a later date or by giving notice in writing to our Secretary not later than the day prior to the Meeting. All proxies returned prior to the Meeting will be voted in accordance with instructions contained therein or, if no choice is specified for one or more proposals in a proxy submitted by or on behalf of a Company stockholder, the shares represented by such proxy will be voted in favor of such proposals and in the discretion of the named proxies with respect to any other matters which may properly come before the Meeting.

At the close of business on April 2, 2009, the record date for the Meeting, the number of our issued and outstanding shares of Common Stock entitled to vote was 11,315,272. Each share of common stock entitles the holder to one vote with respect to all matters submitted to stockholders at the meeting. In addition, as of April 2, 2009, 3,242,8617 shares of our Series A Cumulative Convertible Preferred Stock (the "Series A Preferred Stock") were issued and outstanding. The Series A Preferred Stock is convertible into shares of common stock and votes together with the common stock on an as-if-converted to common stock basis. Unless a holder of Series A Preferred Stock elects otherwise, its ability to convert its Series A Preferred Stock into common stock or to vote on an as-if-converted to common stock basis is restricted to the extent that such conversion would result in the holder owning more than 4.99% of our issued and outstanding common stock or voting together with the common stock on an as-if-converted to common stock basis in respect of more than 4.99% of our issued and outstanding common stock. Consequently, giving effect to the beneficial ownership cap restrictions, the Series A Preferred Stock issued and outstanding as of April 2, 2009 is convertible into 10,809,539 shares of common stock and the holders of the Series A Preferred Stock vote on an as-converted basis with the holders of our common stock. The Company has no other voting securities.

A complete list of Company stockholders entitled to vote at the Meeting will be available for examination by any stockholder for any purpose germane to the Meeting at our principal executive offices, during normal business hours, at least ten days prior to the Meeting. Our Bylaws require that a majority of the shares entitled to vote, present in person or by proxy, shall constitute a quorum for the conduct of business at the Meeting. Abstentions and broker non-votes are counted as present for purposes of determining the presence or absence of a quorum for the transaction of business at the Meeting. A broker non-vote occurs when a nominee holding shares for a beneficial owner does not vote on a particular proposal because the nominee does not have discretionary voting power with respect to that item and has not received instructions from the beneficial owner. We believe that nominees have discretionary voting power with respect to the election of directors (Proposal 1) and the ratification of the appointment of our independent registered public accounting firm (Proposal 2).

Stockholders have the right to vote cumulatively for the election of Directors. This means that in voting at the Meeting, each Stockholder, or his proxy, may multiply the number of his shares by three (the number of directors to be elected) and then vote the resulting total number of shares for a single nominee, or distribute such votes on the ballot among the three nominees desired. The proxies submitted to the Board in response to this solicitation may, at the discretion of the proxy holder, cumulate the votes of the shares the proxies represent. However, the Board requires any stockholder otherwise electing to exercise his cumulative voting rights, if voting in person, to so indicate prior to the beginning of the Meeting or if voting by proxy given to someone other than those designated by the Board in the solicitation to so indicate on said proxy.

For Proposal 1, directors will be elected by a plurality of shares present in person or represented by proxy at the Meeting, which means that the three individuals receiving the highest number of "For" votes will be elected directors. Abstentions will have no effect on the voting results of Proposal 1. Proposal 2 will be approved upon the affirmative vote of a majority of shares present in person or by proxy at the Meeting and entitled to vote on such proposals. Abstentions will have the effect of a vote against such proposal. The Company's inspectors of election will tabulate the votes cast at the meeting, together with the votes cast by proxy, whether in person, or via facsimile.

All expenses in connection with solicitation of proxies will be borne by us. We will also request brokers, dealers, banks and voting trustees, and their nominees, to forward this Proxy Statement, the accompanying form of proxy and our Annual Report for the fiscal year ended December 31, 2008 to beneficial owners and will reimburse such record holders for their expense in forwarding solicitation material. We expect to solicit proxies primarily by mail, but Company directors, officers and employees may also solicit in person, by telephone, email or by fax.

The Board does not know of any matters which will be brought before the Meeting other than those matters specifically set forth in the Notice of Annual Meeting. However, if any other matter properly comes before the Meeting, it is intended that the persons named in the enclosed form of proxy, or their substitutes acting thereunder, will vote on such matter in accordance with the recommendations of the Board, or, if no such recommendations are made, in accordance with their best judgment.

This Proxy Statement should be read in conjunction with our Annual Report for the fiscal year ended December 31, 2008, including the financial statements and management's discussion and analysis of financial condition and results of operations contained therein.

## **Corporate Governance Matters**

### *Corporate Governance Practices and Board Independence*

The Board has adopted a number of corporate governance documents, including charters for its Audit and Finance Committee, Compensation Committee and Nominating and Corporate Governance Committee, corporate governance guidelines, a code of business conduct and ethics for employees, executive officers and directors (including its principal executive officer and principal financial officer) and a whistleblower policy regarding the treatment of complaints on accounting, internal accounting controls and auditing matters. All of these documents are available on the Company's website at [www.accesspharma.com](http://www.accesspharma.com) under the heading "Investor Relations," and a copy of any such document may be obtained, without charge, upon written request to the Company, c/o Investor Relations, 2600 Stemmons Freeway, Suite 176, Dallas, Texas, 75207.

### *Stockholder Communications with the Board*

The Board has established a process for stockholders to send communications to it. Stockholders may send written communications to the Board or individual directors to Access Pharmaceuticals, Inc., Board of Directors, c/o Chief Executive Officer, 2600 Stemmons Freeway, Suite 176, Dallas, Texas 75207. Stockholders also may send communications via email to [akc@accesspharma.com](mailto:akc@accesspharma.com) with the notation "Attention: Chief Executive Officer" in the Subject field. All communications will be reviewed by the Chief Executive Officer of the Company, who will determine whether such communications are relevant and for a proper purpose and appropriate for Board review and, if applicable, submit such communications to the Board on a periodic basis.

### *Attendance of Directors at Annual Stockholder Meetings*

With the exception of Mark J. Ahn and John J. Meakem, all of the directors then currently serving as directors attended the 2008 annual stockholder meeting. Although the Company currently does not require directors to attend annual stockholder meetings, it does encourage directors to do so and welcomes their attendance. The Company generally schedules a Board meeting in conjunction with the Meeting and plans to continue to do so in the future. The Company expects that directors will attend annual stockholder meetings absent a valid reason.

## *Nomination and Election of Directors*

When seeking candidates for director, the Nominating and Corporate Governance Committee may solicit suggestions from incumbent directors, management or others. After conducting an initial evaluation of a candidate, the committee will interview that candidate if it believes the candidate might be suitable to serve as a director. The committee may also ask the candidate to meet with Company management. If the committee believes a candidate would be a valuable addition to the Board and there is either a vacancy on the Board or the committee believes it is in the best interests of the Company and our stockholders to increase the number of Board members to elect that candidate, it will recommend to the full Board that candidate's election. Messrs. Davis and Alvino were each initially appointed to the Board as a result of contractual obligations of the Company.

Before nominating a sitting director for reelection at an annual stockholder meeting, the committee will consider the director's performance on the Board and whether the director's reelection would be in the best interests of the Company's stockholders and consistent with the Company's corporate governance guidelines and the Company's continued compliance with applicable law, rules and regulations.

The Board believes that it should be comprised of directors with diverse and complementary backgrounds, and that directors should have expertise that, at a minimum, may be useful to the Company and may contribute to the success of the Company's business. Directors also should possess the highest personal and professional ethics and should be willing and able to devote an amount of time sufficient to effectively carry out their duties and contribute to the success of the Company's business. When considering candidates for director, the committee takes into account a number of factors, including the following:

- Independence from management;
- Age, gender and ethnic background;
- Relevant business experience;
- Judgment, skill and integrity;
- Existing commitments to other businesses;
- Potential conflicts of interest;
- Corporate governance background;
- Financial and accounting background;
- Executive compensation background; and
- Size and composition of the existing Board.

The Nominating and Corporate Governance Committee will consider candidates for director suggested by stockholders by considering the foregoing criteria and the additional information referred to below. Stockholders wishing to suggest a candidate for director should write to the Company, c/o Investor Relations, 2600 Stemmons Freeway, Suite 176, Dallas, Texas 75207. When submitting candidates for nomination to be elected at the Company's annual meeting of shareholders, shareholders must follow the notice procedures, which are described under the heading "Shareholder Proposals and for 2010 Annual Meeting." and include the following:

- The name and address of the stockholder and a statement that he, she or it is a stockholder of the Company and is proposing a candidate for consideration by the committee;
- The class and number of shares of Company capital stock, if any, owned by the stockholder as of the record date for the applicable annual stockholder meeting (if such date has been announced) and as of the date of the notice, and length of time such stockholder has held such shares;
- The name, age and address of the candidate;
- A description of the candidate's business and educational experience;
- The class and number of shares of Company capital stock, if any, owned by the candidate, and length of time such candidate has held such shares;
- Information regarding each of the foregoing criteria the Board generally considers, other than the factor regarding Board size and composition, sufficient to enable the committee to evaluate the candidate;
- A description of any relationship between the candidate and any customer, supplier or competitor of the Company or any actual or potential conflict of interest;
- A description of any relationship or understanding between the stockholder and the candidate;
- A statement that the candidate is willing to be considered and willing to serve as a director if nominated and elected;
- A statement as to whether the director is independent under applicable NYSE Alternext US (formerly known as AMEX) rules (these rules are referred to in this Proxy as "NYSE Amex rules"); and
- Such other information regarding each nominee that would be required to be included in a proxy statement filed pursuant to the proxy rules of the Securities and Exchange Commission.

## **Director Independence**

The Board has determined that each of Dr. Ahn and Mr. Alvino are independent under applicable NYSE Amex rules. Based on the fully-diluted Common Stock ownership of SCO Capital Partners LLC and its affiliates, the Board has determined that the Company is a “Controlled Company” under applicable NYSE Amex rules and regulations and therefore under applicable NYSE Amex rules and regulations, the Company would not be required to comply with certain director independence requirements. Although the Company is not currently listed on NYSE Alternext US, and is instead listed on the OTCBB, the Company has chosen to follow the NYSE Amex rules and regulations governing director independence.

## **PROPOSAL 1**

### **ELECTION OF DIRECTORS**

Our Certificate of Incorporation and Bylaws presently provide that our Board shall consist of between three to fifteen members, shall be divided into three classes as nearly equal in number as possible, and that each Director shall serve for a term of three years and until his successor is elected and qualified or until his earlier resignation, death or removal. By resolution, the Board has set the number of its directors at seven. The term of office of one class of Directors expires each year in rotation so that one class is elected at each annual meeting of stockholders for a three-year term. The Board presently consists of seven members.

Members of each class serve a term of three years until the respective annual meeting of stockholders and election and qualification of their successors. Mr. Davis and Dr. Cvitkovic are Class 1 Directors with their terms set to expire upon the annual meeting of stockholders in 2011. Dr. Howell and Messrs. Luci and Rouhandeh are Class 2 Directors with their terms set to expire upon the annual meeting of stockholders in 2009. Dr. Ahn and Mr. Alvino are Class 3 Directors with their terms to expire upon the annual meeting of stockholders in 2010. Each of our officers is selected by the Board for a term of one year. There is no family relationship among any of the directors or officers.

#### **Nominees for Term Expiring at the Meeting (Class 2 Directors)**

Mr. Rouhandeh, Dr. Howell and Mr. Luci are Class 2 Directors. Mr. Rouhandeh has served as director since March 2008, Dr. Howell has served as director since 1996 and Mr. Luci has served as director since January 2007. The terms of Mr. Rouhandeh, Dr. Howell and Mr. Luci expire at the Meeting. If elected at the Meeting, all three will serve for a term of three years expiring on the date of the annual meeting of stockholders in 2012. The terms of the other four remaining Directors will continue as indicated above.

#### **Business and Experience of Nominees for Director**

*Mr. Steven H. Rouhandeh* became a director and Chairman of the Board on March 4, 2008. He is a Chief Investment Officer of SCO Capital Partners, L.P., a New York based life sciences fund. Mr. Rouhandeh also is a founder of SCO Financial Group LLC, a highly successful value-oriented healthcare group with an 11-year track record in this sector (advisory, research, banking and investing). He possesses a diverse background in financial services that includes experience in asset management, corporate finance, investment banking and law. He has been active throughout recent years as an executive in venture capital and as a founder of several companies in the biotech field. His experience also includes positions as Managing Director of a private equity group at Metzler Bank, a private European investment firm and Vice President, Investment Banking at Deutsche Morgan Grenfell. Mr. Rouhandeh was also a corporate attorney at New York City-based Cravath, Swaine & Moore. Mr. Rouhandeh holds a J.D., from Harvard Law School, Harvard University and B.A. Government, Economics, from Southern Illinois University.

*Stephen B. Howell, M.D.* has served as one of Access’ directors since 1996. Dr. Howell is a member of the Compensation Committee of the Board. Dr. Howell is a Professor of Medicine at the University of California, San Diego, and director of the Cancer Pharmacology Program of the UCSD Cancer Center. Dr. Howell is a recipient of the Milken Foundation prize for his contributions to the field of cancer chemotherapy. He has served on the National Research Council of the American Cancer Society and is on the editorial boards of multiple medical journals. Dr. Howell founded DepoTech, Inc. and served as a member of its board of directors from 1989 to 1999. Dr. Howell served on the board of directors of Matrix Pharmaceuticals from 2000 to 2002. Dr. Howell received his A.B. at the University of Chicago and his M.D. from Harvard Medical School.

Mr. David P. Luci has served as one of Access' directors since January 2007 and is also chairman of the Audit and Finance Committee and a member of the Compensation Committee. As a result of consulting services provided by Mr. Luci to us, and our acquisition of MacroChem Corporation, where Mr. Luci previously served as an executive officer, Mr. Luci is no longer an independent director for board or audit committee purposes under NYSE Amex rules. Mr. Luci is currently a business consultant. Mr. Luci was President and Chief Business Officer of MacroChem Corporation until its merger with us on February 25, 2009. Additionally, Mr. Luci was a senior executive officer of Bioenvision, Inc. from July 2002 until August 2007. He served as Bioenvision's General Counsel & Corporate Secretary (2002-2007), Executive Vice President (2007), Chief Financial Officer (2004-2006), and Director of Finance (2002-2004). From September 1994 to July 2002, Mr. Luci served as a corporate associate at Paul, Hastings, Janofsky & Walker LLP (New York office). Prior to that, Mr. Luci served as a senior auditor at Ernst & Young LLP (New York office). Mr. Luci is a certified public accountant. He holds a Bachelor of Science in Business Administration with a concentration in accounting from Bucknell University and a J.D. (cum laude) from Albany Law School of Union University.

The nominees have consented to serve as our Directors and the Board has no reason to believe that any nominee will be unavailable for such service.

The Board recommends a vote "FOR" the proposed nominees to the Board and the enclosed proxy will be so voted unless a contrary vote is indicated. Each Director shall be elected by a plurality of the total votes cast by the holders of Common Stock and Preferred Stock, on an as-converted basis, present in person or by proxy and entitled to vote at the Meeting.

**UNLESS OTHERWISE INDICATED THEREON, THE ACCOMPANYING PROXY WILL BE VOTED FOR THE NOMINEES NAMED ABOVE. HOWEVER, THE PERSONS DESIGNATED AS PROXIES RESERVE THE RIGHT TO CAST VOTES FOR ANOTHER PERSON DESIGNATED BY THE BOARD IN THE EVENT THE NOMINEES ARE UNABLE OR UNWILLING TO SERVE.**

### **Information With Respect to Other Directors**

#### *Directors Whose Terms Expire at the Annual Meeting in 2010 (Class 3 Directors)*

Dr. Mark J. Ahn became a director in September 2006 and is a member of the Nominating & Corporate Governance Committee. Dr. Ahn is Professor and Chair, Science & Technology Faculties of Commerce & Administration Science at Victoria University of Wellington, New Zealand and has been in this position since September 2007. Dr. Ahn was President and Chief Executive Officer and a member of the board of directors of Hana Biosciences, Inc. from November 2003 to September 2007. Prior to joining Hana, from December 2001 to November 2003, he served as Vice President, Hematology and corporate officer at Genentech, Inc. where he was responsible for commercial and clinical development of the Hematology franchise. From February 1991 to February 1997 and from February 1997 to December 2001, Dr. Ahn was employed by Amgen and Bristol-Myers Squibb Company, respectively, holding a series of positions of increasing responsibility in strategy, general management, sales & marketing, business development, and finance. He has also served as an officer in the U.S. Army. Dr. Ahn is a Henry Crown Fellow at the Aspen Institute, founder of the Center for Non-Profit Leadership, a director of TransMolecular, Inc., a privately held biotechnology company focused on neuroncology, and a member of the Board of Trustees for the MEDUNSA (Medical University of South Africa) Trust. Dr. Ahn received a B.A. in History and an M.B.A. in Finance from Chaminade University. He was a graduate fellow in Economics at Essex University, and has a Ph.D. in Business Administration from the University of South Australia.

Mr. Mark J. Alvino became a director in March 2006 initially as a designee of SCO Capital Partners LLC and is a member of the Nominating and Corporate Governance Committee. Mr. Alvino is currently Managing Director for Griffin Securities and has been in this position since May 2007. Mr. Alvino was Managing Director for SCO Financial Group LLC from July 2002 to May 2007. Mr. Alvino was a member of the board of directors of MacroChem Corporation from May 2007 until February 2009. He previously worked at Feinstein Kean Healthcare, an Ogilvy Public Relations Worldwide Company. There he was Senior Vice President, responsible for managing both investor and corporate communications programs for many private and public companies and acted as senior counsel throughout the agency's network of offices. Prior to working at FKH, Mr. Alvino served as Vice President of Investor Relations and managed the New York Office of Allen & Caron, Inc., an investor relations agency. His base of clients included medical devices, biotechnology, and e-healthcare companies. Mr. Alvino also spent several years working with Wall Street brokerages including Ladenburg, Thallman & Co. and Martin Simpson & Co.

#### *Directors Whose Terms Expire at the Annual Meeting in 2011 (Class 1 Directors)*



*Mr. Jeffrey B. Davis* became a director in March 2006. Mr. Davis became Chief Executive Officer of the Company on December 26, 2007. Previously, Mr. Davis was Chairman of the Board and Chairman of the Compensation Committee of the Board. Mr. Davis currently serves as President of SCO Financial Group LLC and has been employed by SCO since 1997. Previously, Mr. Davis served in senior management at a publicly traded healthcare technology company. Prior to that, Mr. Davis was an investment banker with various Deutsche Bank banking organizations, both in the U.S. and Europe. Mr. Davis also served in senior marketing and product management positions at AT&T Bell Laboratories, where he was also a member of the technical staff, and at Philips Medical Systems North America. Mr. Davis is currently on the board of Uluru, Inc., a private biotechnology company. Mr. Davis holds a B.S. in biomedical engineering from Boston University and an M.B.A. degree from the Wharton School, University of Pennsylvania.

*Dr. Esteban Cvitkovic* became a director in February 2007 as Vice Chairman (Europe) and is also a consultant to the Company as Senior Director, Oncology Clinical Research & Development. Recently, Dr. Cvitkovic co-founded the new contract research organization (CRO), Oncology Therapeutic Development. The oncology-focused CRO, Cvitkovic & Associates Consultants (CAC), founded by Dr. Cvitkovic 11 years ago and which he developed from a small oncology consultancy to a full-service CRO, was sold to AAIPharma to become AAIOncology in 2007. Dr. Cvitkovic is currently a Senior Medical Consultant to AAIOncology. In addition, he maintains a part-time academic practice including teaching at the hospitals Beaujon and St. Louis in Paris. Dr. Cvitkovic is Scientific President of the FNAB, a foundation devoted to the furthering of personalized cancer treatments. Together with a small number of collaborators, he has recently co-founded Oncoethix, a biotech company focused on licensing and co-development of anti-cancer molecules. Dr. Cvitkovic has authored more than 200 peer-reviewed articles and 600 abstracts focused on therapeutic oncology development. His international career includes staff and academic appointments at Memorial Sloan Kettering Cancer Center (New York), Columbia Presbyterian (New York), Instituto Mario Negri (Milan), Institut Gustave Roussy (Villejuif), Hôpital Paul Brousse (Villejuif) and Hôpital St. Louis (Paris).

#### *Executive Officers*

*David P. Nowotnik, Ph.D.* has been Senior Vice President Research and Development since January 2003 and was Vice President Research and Development from 1998. From 1994 until 1998, Dr. Nowotnik had been with Guilford Pharmaceuticals, Inc. in the position of Senior Director, Product Development and was responsible for a team of scientists developing polymeric controlled-release drug delivery systems. From 1988 to 1994 he was with Bristol-Myers Squibb researching and developing technetium radiopharmaceuticals and MRI contrast agents. From 1977 to 1988 he was with Amersham International leading the project which resulted in the discovery and development of Ceretec.

*Mr. Phillip S. Wise* has been Access' Vice President Business Development since June 2006. Mr. Wise was Vice President of Commercial and Business Development for Enhance Pharmaceuticals, Inc. and Ardent Pharmaceuticals, Inc. from 2000 until 2006. Prior to that time he was with Glaxo Wellcome, from 1990 to 2000 in various capacities.

*Mr. Stephen B. Thompson* has been Vice President since 2000 and Access' Chief Financial Officer since 1996. From 1990 to 1996, he was Controller and Administration Manager of Access Pharmaceuticals, Inc., a private Texas corporation. Previously, from 1989 to 1990, Mr. Thompson was Controller of Robert E. Woolley, Inc., a hotel real estate company where he was responsible for accounting, finances and investor relations. From 1985 to 1989, he was Controller of OKC Limited Partnership, an oil and gas company, where he was responsible for accounting, finances and SEC reporting. Between 1975 and 1985 he held various accounting and finance positions with Santa Fe International Corporation.

#### **Officers and Directors**

Our directors and executive officers are as follows:

| <u>Name</u>             | <u>Age</u> | <u>Title</u>                      |
|-------------------------|------------|-----------------------------------|
| Steven H. Rouhandeh     | 51         | Chairman of the Board             |
| Jeffrey B. Davis        | 46         | Chief Executive Officer, Director |
| Esteban Cvitkovic, M.D. | 59         | Vice Chairman – Europe            |
| Mark J. Ahn, Ph.D.      | 46         | Director                          |

|                          |    |   |
|--------------------------|----|---|
| Mark J. Alvino           | 41 | Director  |
| Stephen B. Howell, M.D.  | 64 | Director  |
| David P. Luci            | 42 | Director  |
| David P. Nowotnik, Ph.D. | 60 | Senior Vice President Research & Development                  |
| Phillip S. Wise          | 50 | Vice President, Business Development & Strategy               |
| Stephen B. Thompson      | 55 | Vice President, Chief Financial Officer, Treasurer, Secretary |

### **Committees of the Board of Directors**

The Board established an Audit and Finance Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. Each of the committees of the Board acts pursuant to a separate written charter adopted by the Board.

The Audit and Finance Committee is currently comprised of David P. Luci (chairman). As a result of consulting services provided by Mr. Luci to us, and our acquisition of MacroChem Corporation, where Mr. Luci previously served as an executive officer, Mr. Luci is no longer an independent director for board or audit committee purposes under applicable SEC rules and NYSE Amex rules. The Board has determined that Mr. Luci, the chairman of the Audit and Finance Committee, is an “audit committee financial expert,” under applicable SEC rules and regulations. The Audit and Finance Committee’s responsibilities and duties are among other things to engage the independent auditors, review the audit fees, supervise matters relating to audit functions and review and set internal policies and procedure regarding audits, accounting and other financial controls.

The Compensation Committee is currently comprised of Mr. David P. Luci and Dr. Stephen B. Howell. Mr. Luci and Dr. Howell are non-employee directors under applicable SEC rules, however, neither are “outside” directors under Internal Revenue Code Section 162(m). Mr. Luci and Dr. Howell are not independent under applicable NYSE Amex rules and regulations.

The Nominating and Corporate Governance Committee is currently comprised of Mark Ahn, PhD and Mark J. Alvino. All committee members are independent under applicable NYSE Amex rules and regulations. The Nominating and Corporate Governance Committee is responsible for, among other things, considering potential Board members, making recommendations to the full Board as to nominees for election to the Board, assessing the effectiveness of the Board and implementing Access’ corporate governance guidelines.

## Meetings Attendance

During the 2008 fiscal year, the Board held five (5) meetings. Each director attended 75 percent or more of the aggregate number of Board meetings and meetings of committees of which he or she was a member that were held during the period of his or her service as a director.

The Audit and Finance Committee did not hold any formal meetings during the 2008 fiscal year, but the Chairman of the Committee met with the Company auditors on a quarterly basis.

The Compensation Committee held one meeting during the 2008 fiscal year and all members were present.

The Nominating and Corporate Governance Committee did not hold any formal meetings during the 2008 fiscal year, but did meet informally on several occasions.

## Compensation of Directors

Each director who is not also an Access employee receives a quarterly fee of \$3,000 and also receives \$1,000 per quarter in aggregate for all the committees in which he/she is a member. The Chairman of the Board is paid an additional \$1,000 per quarter and the Chairman of each of the Audit and Finance and Compensation Committee is paid an additional \$500 per quarter. Each director will have \$2,000 deducted from his or her fee if the director misses more than one Board meeting, and \$1,000 deducted per committee meeting not attended. In addition, Access reimbursed each director, whether an employee or not, the expenses of attending Board and committee meetings. Each non-employee director is also entitled to receive options to purchase 2,500 shares of Common Stock on the date of each annual meeting of stockholders and options to purchase 25,000 shares of Common Stock when he/she is first appointed as a director. The board granted options to purchase 6,000 shares to each outside director for 2008 instead of the options to purchase 2,500 shares as has been granted annually.

## Director Compensation Table - 2008

The table below represents the compensation paid to our outside directors during the year ended December 31, 2008:

| Name                          | Fees earned or Paid<br>in Cash (\$) | Stock Awards (\$) | Option Awards (\$)<br>(1) | All Other<br>Compensation (\$) | Total (\$) |
|-------------------------------|-------------------------------------|-------------------|---------------------------|--------------------------------|------------|
| Mark J. Ahn, PhD (2)          | 16,000                              | -                 | 16,000                    | -                              | 32,000     |
| Mark J. Alvino (3)            | 16,000                              | -                 | 16,000                    | -                              | 32,000     |
| Esteban Cvitkovic, MD (4)     | 12,000                              | -                 | 180,000                   | 350,000                        | 542,000    |
| Jeffrey B. Davis (5)          | 6,000                               | -                 | -                         | -                              | 6,000      |
| Stephen B. Howell, MD (6)     | 12,000                              | -                 | 16,000                    | 32,000                         | 60,000     |
| David P. Luci (7)             | 18,000                              | -                 | 16,000                    | -                              | 34,000     |
| Rosemary Mazanet, MD, PhD (8) | 7,000                               | -                 | 126,000                   | -                              | 133,000    |
| John J. Meakem, Jr. (9)       | 10,000                              | -                 | 9,000                     | -                              | 19,000     |
| Steven H. Rouhandeh (10)      | 10,000                              | -                 | -                         | -                              | 10,000     |

- (1) The value listed represents the fair value of the options recognized as expense under FAS 123R during 2008, including unvested options granted before 2008 and those granted in 2008. Fair value is calculated as of the grant date using a Black-Scholes ("Black-Scholes") option-pricing model. The determination of the fair value of share-based payment awards made on the date of grant is affected by our stock price as well as assumptions regarding a number of complex and subjective variables. Our assumptions in determining fair value are described in note 10 to our audited financial statements for the year ended December 31, 2008, included in our Annual Report on Form 10-K.

- (2) Represents expense recognized in 2008 in respect of options to purchase 6,000 shares of our Common Stock based on a grant date fair value of \$16,000. Dr. Ahn has options to purchase 31,000 shares of our Common Stock at December 31, 2008.
- (3) Represents expense recognized in 2008 in respect of options to purchase 6,000 shares of our Common Stock based on a grant date fair value of \$16,000. Mr. Alvino has options to purchase 31,000 shares of our Common Stock at December 31, 2008.
- (4) Represents expense recognized in 2008 in respect of warrants to purchase 100,000 shares of our Common Stock based on a fair value of \$164,000. Also represents expense recognized in 2008 in respect of options to purchase 6,000 shares of our Common Stock based on a grant date fair value of \$16,000. Includes \$350,000 Dr. Cvitkovic received for scientific consulting services in 2008. Dr. Cvitkovic has options to purchase 56,000 shares of our Common Stock and warrants to purchase 200,000 of our Common Stock at December 31, 2008.
- (5) The fee included in this table was for board fees for the fourth quarter of 2007 paid in the first quarter of 2008. Mr. Davis served as our CEO during 2008 and did not receive board fees. Mr. Davis' salary and employment agreement are discussed later in the Summary Compensation Table and Compensation Pursuant to Agreements and Plans – Employment Agreements – President and Chief Executive Officer. Mr. Davis has options to purchase 25,000 shares of our Common Stock at December 31, 2008.
- (6) Represents expense recognized in 2008 in respect of options to purchase 6,000 shares of our Common Stock based on a grant date fair value of \$16,000. Includes \$32,000 Dr. Howell received for scientific consulting services in 2008. Dr. Howell has options to purchase 44,700 shares of our Common Stock and warrants to purchase 2,000 of our Common Stock at December 31, 2008.
- (7) Represents expense recognized in 2008 in respect of options to purchase 6,000 shares of our Common Stock based on a grant date fair value of \$16,000. Mr. Luci has options to purchase 31,000 shares of our Common Stock at December 31, 2008.
- (8) Represents expense recognized in 2008 in respect of options to purchase 50,000 shares of our Common Stock based on a grant date fair value of \$10,000; options to purchase 200,000 shares of our Common Stock based on a grant date fair value of \$25,000; and an additional \$126,000 which represents the additional fair value of all Dr. Mazanet's vested options of which the exercise date was extended until May 25, 2010. Dr. Mazanet's term as a director expired on May 21, 2008.
- (9) Includes \$9,000 which represents the additional fair value of all Mr. Meakem's vested options of which the exercise date was extended until May 25, 2010. Mr. Meakem's term as a director expired on May 21, 2008.
- (10) Mr. Rouhandeh does not have any options or warrants outstanding at December 31, 2008. See also the Security Ownership of Certain Beneficial Owners and Management.

### Equity Compensation Plan Information

The following table sets forth information as of December 31, 2008, about shares of Common Stock outstanding and available for issuance under our equity compensation plans existing as of such date.

| Plan Category  | Number of securities to be issued upon exercise of outstanding options<br><u>warrants and rights</u> | Weighted-average exercise price of outstanding options<br><u>warrants and rights</u> | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))<br><u>reflected in column (a)</u> |
|--|--|--|---|
| Equity compensation plans approved by security holders     |  |  |   |
| 2005 Equity Incentive Plan                                 | 1,136,820  | \$ 1.90  | 1,956,644   |
| 1995 Stock Awards Plan                                     | 118,000  | 15.14  | -   |
| 2001 Restricted Stock Plan                                 | -  | -  | 52,818  |
| Equity compensation plans not approved by security holders |  |  |   |
| 2007 Special Stock Option Plan                             | 100,000  | 2.90   | 350,000   |
| <b>Total</b>   | <u>1,354,820</u>   | <u>\$ 3.12</u>   | <u>2,359,462</u>  |

## Security Ownership of Certain Beneficial Owners and Management

Based solely upon information made available to Access, the following table sets forth certain information with respect to the beneficial ownership of Access' Common Stock as of April 23, 2009 by (i) each person who is known by Access to beneficially own more than five percent of any class of Access' capital stock; (ii) each of Access' directors; (iii) each of Access' named executive officers; and (iv) all Access' executive officers and directors as a group. Beneficial ownership as reported in the following table has been determined in accordance with Rule 13d-3 under the Securities Exchange Act of 1934, as amended. The address of each holder listed below, except as otherwise indicated, is c/o Access Pharmaceuticals, Inc., 2600 Stemmons Freeway, Suite 176, Dallas, Texas 75207.

| Name and Address of Beneficial Owner   | Amount and Nature of Beneficial Ownership Common Stock <sup>(1)</sup> | Percent of Class | Amount and Nature of Beneficial Ownership Preferred Stock | Percent of Class | Amount and Nature of Beneficial Ownership All Classes of Stock | Percent of Class |
|--|---|------------------|---|------------------|--|------------------|
| Steven H. Rouhandeh <sup>(2)</sup>   | -   | *                | -   | *                | -  | *                |
| Jeffery B. Davis <sup>(3)</sup>  | 25,000  | *                | -   | *                | 25,000   | *                |
| Mark J. Ahn, Ph. D. <sup>(4)</sup>   | 31,000  | *                | -   | *                | 31,000   | *                |
| Mark J. Alvino <sup>(5)</sup>  | 85,545  | *                | -   | *                | 85,545   | *                |
| Esteban Cvitkovic, M.D. <sup>(6)</sup>   | 156,000   | 1.4%             | -   | *                | 156,000  | *                |
| Stephen B. Howell, M.D. <sup>(7)</sup>   | 56,422  | *                | -   | *                | 56,422   | *                |
| David P. Luci <sup>(8)</sup>   | 35,167  | *                | 8,333   | *                | 43,500   | *                |
| David P. Nowotnik, Ph.D. <sup>(9)</sup>  | 181,057   | 1.6%             | -   | *                | 181,057  | *                |
| Phillip S. Wise <sup>(10)</sup>  | 113,542   | *                | -   | *                | 113,542  | *                |
| Stephen B. Thompson <sup>(11)</sup>  | 154,063   | 1.3%             | -   | *                | 154,063  | *                |
| SCO Capital Partners LLC, SCO Capital Partners LP, and Beach Capital LLC <sup>(12)</sup>   | 9,538,529   | 54.9%            | 7,077,100   | 65.5%            | 16,615,629   | 59.0%            |
| Larry N. Feinberg <sup>(13)</sup>  | 1,222,443   | 10.2%            | 1,457,699   | 13.5%            | 2,680,142  | 11.7%            |
| Lake End Capital LLC <sup>(14)</sup>   | 1,112,601   | 9.2%             | 793,067   | 7.3%             | 1,905,668  | 8.3%             |
| All Directors and Executive Officers as a group (consisting of 10 persons) <sup>(15)</sup> | 837,796   | 6.9%             | 8,333   | *                | 846,129  | 3.7%             |

\* - Less than 1%

- (1) Includes Access' outstanding shares of Common Stock held plus all shares of Common Stock issuable upon exercise of options, warrants and other rights exercisable within 60 days of April 23, 2009.
- (2) Steven H. Rouhandeh is Chairman of SCO Securities LLC, a wholly-owned subsidiary of SCO Financial Group LLC. His address is c/o SCO Capital Partners LLC, 1285 Avenue of the Americas, 35th Floor, New York, NY 10019. SCO Securities LLC and affiliates (SCO Capital Partners LP and Beach Capital LLC) are known to beneficially own an aggregate of 3,485,242 shares of Access' Common Stock, warrants to purchase an aggregate of 6,053,287 shares of Access' Common Stock and 7,077,100 shares of Common Stock issuable upon conversion of Series A Preferred Stock. Mr. Rouhandeh disclaims beneficial ownership of all such shares except to the extent of his pecuniary interest therein.
- (3) Includes presently exercisable options for the purchase of 25,000 shares of Access' Common Stock pursuant to the 2005 Equity Incentive Plan. Mr. Davis is President of SCO Securities LLC, a wholly-owned subsidiary of SCO Financial Group LLC. His address is c/o SCO Capital Partners LLC, 1285 Avenue of the Americas, 35th Floor, New York, NY 10019. SCO Securities LLC and affiliates (SCO Capital Partners LP and Beach Capital LLC) are known to beneficially own 3,485,242 shares of Access' Common Stock, warrants to purchase an aggregate of 6,053,287 shares of Access' Common Stock and 7,077,100 shares of Common Stock issuable upon conversion of Series A Preferred Stock. Mr. Davis disclaims beneficial ownership of all such shares except to the extent of his pecuniary interest therein.
- (4) Includes presently exercisable options for the purchase of 31,000 shares of Access' Common Stock pursuant to the 2005 Equity Incentive Plan.

- (5) Includes 54,545 shares of Common Stock underlying warrants held by Mr. Alvino and presently exercisable options for the purchase of 31,000 shares of Access' Common Stock pursuant to the 2005 Equity Incentive Plan. Mr. Alvino is Managing Director of Griffin Securities LLC. His address is c/o Griffin Securities LLC, 17 State St., 3<sup>rd</sup> Floor, New York, NY 10004. Mr. Alvino is a designated director of SCO Securities LLC. SCO Securities LLC and affiliates (SCO Capital Partners LP and Beach Capital LLC) are known to beneficially own 3,485,242 shares of Access' Common Stock, warrants to purchase an aggregate of 6,053,287 shares of Access' Common Stock and 7,077,100 shares of Common Stock issuable upon conversion of Series A Preferred Stock. Mr. Alvino disclaims beneficial ownership of all such shares except to the extent of his pecuniary interest therein. Mr. Alvino disclaims beneficial ownership of all such shares except to the extent of his pecuniary interest therein.
- (6) Includes presently exercisable options for the purchase of 56,000 shares of Access' Common Stock pursuant to the 2005 Equity Incentive Plan and a warrant to purchase 100,000 shares of Access' Common Stock at an exercise price of \$3.15 per share. Dr. Cvitkovic has also been granted an additional warrant of 100,000 shares of Access' Common Stock at an exercise price of \$3.15 that vests during 2009.
- (7) Includes presently exercisable options for the purchase of 32,200 shares of Access' Common Stock pursuant to the 2005 Equity Incentive Plan, 12,500 shares of Access' Common Stock pursuant to the 1995 Stock Option Plan, and a warrant to purchase 2,000 shares of Access' Common Stock at an exercise price of \$24.80 per share.
- (8) Includes warrants to purchase an aggregate of 4,167 shares of Access' Common Stock, 8,333 shares of Common Stock issuable to him upon conversion of Series A Preferred Stock and presently exercisable options for the purchase of 31,000 shares of Access' Common Stock pursuant to the 2005 Equity Incentive Plan.
- (9) Includes presently exercisable options for the purchase of 113,542 shares of Access' Common Stock pursuant to the 2005 Equity Incentive Plan and 50,000 shares of Access' Common Stock pursuant to the 1995 Stock Option Plan.
- (10) Includes presently exercisable options for the purchase of 113,542 shares of Access' Common Stock pursuant to the 2005 Equity Incentive Plan.
- (11) Includes presently exercisable options for the purchase of 113,542 shares of Access' Common Stock pursuant to the 2005 Equity Incentive Plan and 31,000 shares of Access' Common Stock pursuant to the 1995 Stock Option Plan.
- (12) SCO Capital Partners LLC, SCO Capital Partner LP, Beach Capital LLC and SCO Financial Group's address is 1285 Avenue of the Americas, 35<sup>th</sup> Floor, New York, NY 10019. SCO Capital Partners LLC and affiliates (SCO Capital Partners LP, Beach Capital LLC and SCO Financial Group) are known to beneficially own an aggregate of 3,485,242 shares of Access' Common Stock, warrants to purchase an aggregate of 6,053,287 shares of Access' Common Stock and 7,077,100 shares of Common Stock issuable upon conversion of Series A Preferred Stock. Each of Mr. Rouhandeh, Mr. Davis and Mr. Alvino, directors of Access and Mr. Rouhandeh and Mr. Davis are executives of SCO Capital Partners LLC and disclaim beneficial ownership of such shares except to the extent of their pecuniary interest therein.
- (13) Larry N. Feinberg is a partner in Oracle Partners, L.P. His address is c/o Oracle Partners, L.P., 200 Greenwich Avenue, 3<sup>rd</sup> Floor, Greenwich, CT 06830. Oracle Partners, L.P. and affiliates (Oracle Institutional Partners, L.P., Oracle Investment Management, Inc., Sam Oracle Fund, Inc. and Mr. Feinberg) are known to beneficially own an aggregate of 493,593 shares of Access' Common Stock, warrants to purchase an aggregate of 728,850 shares of Access' Common Stock and Series A Preferred Stock which may be converted into an aggregate of 1,457,699 shares of Access' Common Stock.
- (14) Lake End Capital LLC's address is 1285 Avenue of the Americas, 35<sup>th</sup> Floor, New York, NY 10019. Lake End Capital LLC is known to beneficially own an aggregate of 335,575 shares of Access' Common Stock, warrants to purchase an aggregate of 777,026 shares of Access' Common Stock and 793,067 shares of Common Stock issuable to them upon conversion of Series A Preferred Stock.
- (15) Does not include shares held by SCO Securities LLC and affiliates.

## COMPENSATION COMMITTEE DISCUSSION ON EXECUTIVE COMPENSATION

The Compensation Committee operates under a written charter adopted by the Board and is responsible for making all compensation decisions for the Company's directors and named executives including determining base salary and annual incentive compensation amounts and recommending stock option grants and other stock-based compensation under our equity incentive plans. The Compensation Committee charter can be found on our website at [www.accesspharma.com](http://www.accesspharma.com) under "Investor Relations".

### Executive Summary

The discussion that follows outlines the compensation awarded to, earned by or paid to the named executive officers of the Company including a review of the principal elements of compensation, the objectives of the Company's compensation program, what the program is designed to reward and why and how each element of compensation is determined.

In general, the Company operates in a marketplace where competition for talented executives is significant. Further, the Company is engaged in the long-term development of drug candidates, without the benefit of significant current revenues, and therefore its operations require it to raise capital in order to continue its activities. As such, the Company's operations include special needs and risks for the Company to address in developing programs that promote long-term performance and retention. The Company's compensation program for named executive officers consists of cash compensation as base salary, medical, basic life insurance, long term disability, flexible spending accounts, paid time off, and defined contribution 401(k) retirement plans as well as long term equity incentives offered through stock option plans. This program is developed in part by benchmarking against other companies in the biotechnology/pharmaceutical sectors, as well as by the judgment and discretion of our Board.

## **Overall Objectives of the Executive Compensation Program**

The purpose of our compensation plan is to attract, retain and motivate key management employees. It is our philosophy to pay our executives at levels commensurate with both industry levels and individual experience and performance. The biopharmaceutical marketplace is highly competitive and includes companies with far greater resources than ours. Our work involves development of drug candidates over a long period of time and involves a high degree of risk and uncertainty. Continuity of both scientific knowledge and relationships across multi-disciplinary functions are critical success factors to our business. The objectives of our compensation program for named executive officers is to provide competitive cash compensation, competitive health, welfare and 401(k) retirement benefits as well as long-term equity incentives that offer significant reward potential for the risks assumed and for each individual's contribution to the long-term performance of the Company. Individual performance is measured against long-term strategic goals, short-term business goals, scientific innovation, regulatory compliance, new business development, development of employees, fostering of teamwork and other Access values designed to build a culture of high performance. These policies and practices are based on the principle that total compensation should serve to attract and retain those executives critical to the overall success of Access and are designed to reward executives for their contributions toward business performance that is designed to build and enhance stockholder value. Throughout the 2008 fiscal year, the Compensation Committee reviewed compensation for comparable organizations in order to establish our total compensation program and to recommend awards under our equity incentive plans.

## **Base Salary Program**

It is our policy to establish salaries at a level approximating the average of the competitive levels in comparable companies in the biomedical industry and to provide annual salary increases reflective of an executive's performance, level of responsibility and position with the Company.

## **Compensation of Chief Executive Officer**

Access is a party to an employment agreement, with Jeffrey B. Davis, who was named by the Board as Access' Chief Executive Officer, effective as of December 26, 2007. Mr. Davis' employment agreement dated January 4, 2008 (the "Effective Date") was amended on April 9, 2008. Pursuant to the terms of his employment agreement, Mr. Davis was paid an annual salary of \$335,000 from January 4, 2008 through March 31, 2008, and is currently paid an annual salary of \$240,000 as of April 1, 2008. Mr. Davis does not currently have any stock options resulting from his employment with us. Mr. Davis was previously awarded stock options to purchase 600,000 shares of Common Stock. However, as of the Effective Date and pursuant to the amended employment agreement, Mr. Davis agreed to forgo any stock options awarded under the terms of the original employment agreement. Mr. Davis is entitled to similar employee benefits as Access' other executive officers.

## **Annual Incentive**

Each year, the Compensation Committee evaluates the performance of the Company as a whole, as well as the performance of each individual executive. Factors considered include Company development, performance against objectives, advancement of our research and development programs, commercial operations, product acquisition, and in-licensing and out-licensing agreements. The Compensation Committee does not utilize formalized mathematical formulas, nor does it assign weightings to these factors. The Compensation Committee, in its sole discretion, determines the amount, if any, of incentive payments to be awarded to each executive based on an individual's targeted incentive payment. The Compensation Committee believes that analysis of our corporate growth requires subjectivity on the part of the Compensation Committee when determining incentive payments.

## **Stock Option Plans**

The Board has adopted and our stockholders have approved our 2005 Equity Incentive Plan and 1995 Stock Awards Plan. The 2005 Equity Incentive Plan currently provides for the issuance of up to a maximum of 3,150,000 shares of our Common Stock to our employees, directors and consultants or any of our subsidiaries. The 1995 Stock Awards Plan provided for the issuance of up to a maximum of 500,000 shares of our Common Stock to our employees, directors and consultants or any of our subsidiaries. As of April 23, 2009, options to purchase a total of 118,000 shares of our Common Stock are outstanding under the 1995 Stock Awards Plan and options to purchase a total of 1,136,820 shares of our Common Stock are outstanding the 2005 Equity Incentive Plan. Options granted under both plans may be either incentive stock options or options which do not qualify as incentive stock options. In 2007, the Board adopted the 2007 Special Stock Option Plan and Agreement (the "2007 Plan"). The 2007 Plan provides for the award of options to purchase a maximum of 450,000 shares of our Common Stock.

The stock option plans are administered by a committee of non-employee members of the Board, chosen by the Board, and is currently administered by the Compensation Committee. The Compensation Committee presently is composed of David P. Luci and Stephen B. Howell, MD. The Compensation Committee has the authority to determine those individuals to whom stock options are granted, the number of shares to be covered by each option, the option price, the type of option, the option period, the vesting restrictions, if any, with respect to exercise of each option, the terms for payment of the option price and other terms and conditions of each option.

Our non-employee directors, who include certain members of the Compensation Committee, are eligible to receive options under the 2005 Equity Incentive Plan. Each non-employee director is entitled to receive options to purchase 2,500 shares of our Common Stock on the date of each annual meeting of stockholders and options to purchase 25,000 shares of Common Stock when he/she is first appointed as a director.

We also have a restricted stock plan, the 2001 Restricted Stock Plan, under which 80,000 shares of our Common Stock have been reserved for issuance to certain employees, directors, consultants and advisors. The restricted stock granted under the plan generally vests over five years, 25% two years after the grant date with an additional 25% vesting on the next three anniversary dates. All stock is vested after five years. At December 31, 2008, there were 27,182 shares granted and 52,818 shares available for grant under the 2001 Restricted Stock Plan.

#### **Section 162(m)**

Section 162(m) of the Internal Revenue Code of 1986, as amended, currently imposes a \$1 million limitation on the deductibility of certain compensation paid to each of our five highest paid executives. Excluded from this limitation is compensation that is "performance based." For compensation to be performance based it must meet certain criteria, including being based on predetermined objective standards approved by stockholders. In general, we believe that compensation relating to options granted under the 1995 Stock Awards Plan and 2005 Equity Incentive Plan should be excluded from the \$1 million limitation calculation. Compensation relating to our incentive compensation awards do not currently qualify for exclusion from the limitation, given the discretion that is provided to the Compensation Committee in establishing the performance goals for such awards. The Compensation Committee believes that maintaining the discretion to evaluate the performance of our management is an important part of its responsibilities and benefits our stockholders. The Compensation Committee, however, intends to take into account the potential application of Section 162(m) with respect to incentive compensation awards and other compensation decisions made by it in the future.

#### **Conclusion**

The Compensation Committee believes these executive compensation policies effectively serve the interests of the stockholders. The Compensation Committee believes that the various pay vehicles offered are appropriately balanced to provide increased motivation for executives to contribute to our overall future successes, thereby enhancing the value of the Company for the stockholders' benefit.

#### **REPORT OF THE AUDIT AND FINANCE COMMITTEE**

The Audit and Finance Committee of the Board operates under a written charter adopted by the Board in May 2001 and amended and restated by the Board in January 2004 and further amended and restated in June 2006, which charter is available on the Company's website at [www.accesspharma.com](http://www.accesspharma.com) under the heading "Investor Relations" and is attached to this Proxy Statement as Appendix A. The Audit and Finance Committee presently is composed of one director, David P. Luci. The Board has determined that Mr. Luci is not independent as of February 25, 2009, under applicable SEC and NYSE Amex rules and regulations. In accordance with its charter, the Audit and Finance Committee assists the Board in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing and financial reporting practices of the Company.

The Audit and Finance Committee reviewed with the independent registered public accounting firm their judgments as to the quality, not just the acceptability, of the Company's accounting principles and such other matters as are required to be discussed with the Audit Committee by Statement on Auditing Standards No. 61 (AICPA, Professional Standards, Vol. 1 AU section 380, as adopted by the Public Company Accounting Oversight Board in Rule 3200T), as amended by Statement on Auditing Standards No. 90 (Communications with Audit Committees). In addition, the Audit Committee has received the written disclosures from Whitley Penn required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant's communications with the Audit Committee concerning independence and has discussed with Whitley Penn, their independence from management and the Company and considered the compatibility of non-audit services with the independent accountants' independence. The Audit Committee has concluded that Whitley Penn's provision of audit and non-audit services to the Company is compatible with Whitley Penn's independence.

Management has primary responsibility for the Company's consolidated financial statements and the overall reporting process, including the Company's system of internal control over financial reporting. Whitley Penn LLP ("WP"), the Company's independent registered public accounting firm, audits the annual financial statements prepared by management, expresses an opinion as to whether those financial statements fairly present the consolidated financial position, results of operations and cash flows of the Company and its subsidiaries in conformity with accounting principles generally accepted in the United States, and report on internal control over financial reporting. WP reports to the Audit and Finance Committee as members of the Board and as representatives of the Company's stockholders.

The Audit and Finance Committee meets with management periodically to consider the adequacy of the Company's internal control over financial reporting and the objectivity of its financial reporting. The Audit and Finance Committee discusses these matters with the appropriate Company financial personnel. In addition, the Audit and Finance Committee has discussions with management concerning the process used to support certifications by the Company's Chief Executive Officer and Chief Financial Officer that are required by the SEC and the Sarbanes-Oxley Act to accompany the Company's periodic filings with the SEC.

The Audit and Finance Committee has reviewed and discussed the audited financial statements with management, and based upon the Audit and Finance Committee's discussions with management, and the independent registered public accounting firm, and the Audit and Finance Committee's review of the representations of management, and the report of the independent accountants to the Audit and Finance Committee, the Audit and Finance Committee recommended to the Board that the Company include the audited consolidated financial statements in its Annual Report on Form 10-K for the 2008 fiscal year for filing with the SEC. The Audit and Finance Committee also recommended the reappointment of the independent registered public accounting firm and the Board concurred with such recommendation.

David P. Luci  
Chairman



**INDEPENDENT AUDITOR FEES**

The following table presents fees for professional audit services rendered by Whitely Penn LLP for the audit of our annual financial statements for the years ended December 31, 2008, and December 31, 2007, and fees billed for other services rendered by such firms during the respective periods.

| <u>Types of Fees</u>   | <u>2008</u> | <u>2007</u> |
|------------------------|-------------|-------------|
| Audit Fees (1)         | \$107,000   | \$ 110,000  |
| Audit Related Fees (2) | -           | -           |
| Tax Fees (3)           | -           | -           |
| All Other Fees (4)     | 31,000      | 44,000      |

- (1) Audit fees for 2008 and 2007 were for professional services rendered for the audit of the Company's financial statements for the fiscal year and reviews of the Company's quarterly financial statements included in its Form 10-Q filings.
- (2) Audit-related fees include professional services related to the audit of our financial statements, such as consultation on accounting standards or transactions.
- (3) Tax fees are for professional services rendered for tax compliance, tax advice and tax planning.
- (4) All other fees are for services related to our registration statements on Form S-4, Form SB-2 and Form S-8 and financing transactions.

All decisions regarding the selection of an independent registered public accounting firm and approval of accounting services and fees are made by our Audit and Finance Committee in accordance with the provisions of the Sarbanes-Oxley Act of 2002 and related SEC rules.

The Audit and Finance Committee selected WP to serve as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2009. WP has served as Access' independent registered public accounting firm since September 2006.

#### **Policy on Audit and Finance Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm**

The Audit and Finance Committee pre-approves all audit and non-audit services provided by the independent registered public accounting firm prior to the engagement with respect to such services. The Chairman of the Audit and Finance Committee has been delegated the authority by the Audit and Finance Committee to pre-approve the engagement of the independent accountants when the entire committee is unable to do so. The Chairman of the Audit and Finance Committee approved 100% of the services listed under the preceding captions "Audit-Related Fees," "Tax Fees" and "All Other Fees."

#### **Executive Compensation**

The following table sets forth the aggregate compensation paid to our CEO and each of our other executive officers whose aggregate salary and bonus exceeded \$100,000 for services rendered in all capacities for the fiscal years ended December 31, 2008 and 2007.

#### **Summary Compensation Table**

| <u>Name and Principal Position</u>  | <u>Year</u> | <u>Salary (\$)</u><br><u>(1)</u> | <u>Option</u><br><u>Awards (\$) (2)</u> | <u>All Other</u><br><u>Compensation (3)</u> | <u>Total (\$)</u> |
|---|-------------|----------------------------------|---|---|-------------------|
| Jeffrey B. Davis (4)<br>CEO   | 2008        | \$ 266,076                       | \$ -                                    | \$ -  | \$ 266,076        |
| David P. Nowotnik, Ph.D.<br>Senior Vice President Research<br>and Development | 2008        | \$ 253,620                       | \$ 136,977                              | \$ 12,225                                   | \$ 402,822        |
|   | 2007        | 253,620                          | -                                       | 12,225                                      | 265,845           |
| Phillip S. Wise<br>Vice President, Business<br>Development                    | 2008        | \$ 200,000                       | \$ 136,977                              | \$ 9,876                                    | \$ 346,853        |
|   | 2007        | 200,000                          | -                                       | \$ 9,876                                    | 209,876           |
| Stephen B. Thompson<br>Vice President, Chief Financial<br>Officer             | 2008        | \$ 154,080                       | \$ 136,977                              | \$ 7,612                                    | \$ 298,669        |
|   | 2007        | 154,080                          | -                                       | 7,427                                       | 161,507           |

- (1) Includes amounts deferred under our 401(k) Plan.
- (2) The value listed in the above table represents the fair value of the options granted in prior years that was recognized in 2008 and 2007 under FAS 123R. Fair value is calculated as of the grant date using a Black-Scholes option-pricing model. The determination of the fair value of share-based payment awards made on the date of grant is affected by our stock price as well as assumptions regarding a number of complex and subjective variables. Our assumptions in determining fair value are described in note 10 to our audited financial statements for the year ended December 31, 2008, included in our Annual Report on Form 10-K.
- (3) Amounts reported for fiscal years 2008 and 2007 consist of: (i) amounts we contributed to our 401(k) Plan with respect to each named individual, and (ii) amounts we paid for group term life insurance for each named individual.
- (4) Jeffrey B. Davis became our Chief Executive Officer effective December 26, 2007 and his salary began to accrue as of the date of his employment agreement which was January 4, 2008.

### **Outstanding Equity Awards at Fiscal Year-End**

The following table summarizes the aggregate number of option awards held by our named executive officers at December 31, 2008. There were no outstanding stock awards held by any such officers at December 31, 2008:

| Name                                    | Number of Securities Underlying Unexercised Options (#) Exercisable | Number of Securities Underlying Unexercised Options (#) Unexercisable | Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#) | Option Exercise Price \$(1) | Option Expiration Date |
|---|---|---|--|-----------------------------|------------------------|
| Jeffrey B. Davis <sup>(2)</sup>         | 25,000  | -   | -  | 0.63                        | 08/17/16               |
| David P. Nowotnik, Ph.D. <sup>(3)</sup> | -   | 50,000  | -  | 3.00                        | 05/21/18               |
|   | 100,000   | -   | -  | 0.63                        | 08/17/16               |
|   | 7,167   | 833   | -  | 11.60                       | 05/23/15               |
|   | 5,000   | -   | -  | 29.25                       | 01/23/14               |
|   | 7,000   | -   | -  | 10.10                       | 01/30/13               |
|   | 10,000  | -   | -  | 18.65                       | 03/22/12               |
|   | 10,000  | -   | -  | 12.50                       | 03/01/10               |
|   | 10,000  | -   | -  | 10.00                       | 07/20/09               |
| Phillip S. Wise <sup>(5)</sup>          | -   | 50,000  | -  | 3.00                        | 05/21/18               |
|   | 100,000   | -   | -  | 0.63                        | 08/17/16               |
| Stephen B. Thompson <sup>(3)</sup>      | -   | 50,000  | -  | 3.00                        | 05/21/18               |
|   | 100,000   | -   | -  | 0.63                        | 08/17/16               |
|   | 4,479   | 521   | -  | 11.60                       | 05/23/15               |
|   | 3,000   | -   | -  | 29.25                       | 01/23/14               |
|   | 4,000   | -   | -  | 10.10                       | 01/30/13               |
|   | 6,000   | -   | -  | 18.65                       | 03/22/12               |
|   | 9,000   | -   | -  | 12.50                       | 03/01/10               |
|   | 4,000   | -   | -  | 10.00                       | 07/20/09               |

- (1) On December 31, 2008, the closing price of our Common Stock as quoted on the OTC Bulletin Board was \$0.99.
- (2) Jeffrey B. Davis became our Chief Executive Officer effective December 26, 2007 and his employment agreement started January 4, 2008. The options included in this table were granted to him as a director before he became CEO. Mr. Davis does not have any stock options granted to him as CEO.

- (3) Dr. Nowotnik's options to purchase 8,000 shares of common stock will be fully vested in April 2009. His options to purchase 50,000 shares of common stock will be fully vested in April 2012. His options to purchase 833 shares of common stock are fully vested in April 2009.
- (5) Mr. Wise's options to purchase 50,000 shares of common stock will be fully vested in April 2012.
- (4) Mr. Thompson's options to purchase 5,000 shares of common stock will be fully vested in April 2009. His options to purchase 50,000 shares of common stock will be fully vested in April 2012. His options to purchase 521 shares of common stock are fully vested in April 2009.

## **Compensation Pursuant to Agreements and Plans**

### *Employment Agreements*

#### President and Chief Executive Officer

Access is a party to an employment agreement, with Jeffrey B. Davis, who was named by the Board as Access' Chief Executive Officer, effective as of December 26, 2007. Mr. Davis' employment agreement, dated January 4, 2008, was amended April 9, 2008. Pursuant to the terms of his employment agreement, Mr. Davis was paid an annual salary of \$335,000 from January 4, 2008, through March 31, 2008, and is currently paid an annual salary of \$240,000 as of April 1, 2008. Mr. Davis does not currently have any stock options resulting from his employment with us. Mr. Davis was previously awarded stock options to purchase 600,000 shares of our Common Stock. However, as of January 4, 2008, and pursuant to the amended employment agreement, Mr. Davis agreed to forgo any stock options awarded under the terms of the original employment agreement. Mr. Davis is entitled to similar employee benefits as Access' other executive officers.

#### Senior Vice President

Access is a party to an employment agreement with David P. Nowotnik, Ph.D., Access' Senior Vice President, Research and Development, which renews automatically for successive one-year periods, with the current term extending until November 16, 2009. Under this agreement, Dr. Nowotnik is currently entitled to receive an annual base salary of \$253,620, subject to adjustment by the Board. Dr. Nowotnik is eligible to participate in all of Access' employee benefit programs available to executives. Dr. Nowotnik is also eligible to receive:

- a bonus payable in cash and Common Stock related to the attainment of reasonable performance goals specified by the Board;
- stock options at the discretion of the Board;
- long-term disability insurance to provide compensation equal to at least \$60,000 annually; and
- term life insurance coverage of \$254,000.

Dr. Nowotnik is entitled to certain severance benefits in the event that Access terminates his employment without cause or if Dr. Nowotnik terminates his employment following a change of control. In the event that Access terminates the employment agreement for any reason, other than for cause, Dr. Nowotnik will receive his salary for six months. Access will also continue benefits for such period. In the event that Dr. Nowotnik's employment is terminated within six months following a change in control or by Dr. Nowotnik upon the occurrence of certain events following a change in control, Dr. Nowotnik will receive twelve months salary and his stock options will become immediately exercisable. Access will also continue payment of benefits for such period.

#### Vice President – Chief Financial Officer

Access is party to an employment agreement with Stephen B. Thompson, Access' Vice President and Chief Financial Officer, which renews automatically for successive one-year periods. Mr. Thompson is entitled to an annual base salary of \$154,080, subject to adjustment by the Board. The employment agreement also grants Mr. Thompson similar employee benefits as Access' other executive officers. Mr. Thompson is also eligible to receive:

- a bonus payable in cash and Common Stock related to the attainment of reasonable performance goals specified by the Board;

- stock options at the discretion of the Board;
- long-term disability insurance to provide compensation equal to at least \$90,000 annually; and
- term life insurance coverage of \$155,000.

Mr. Thompson is entitled to certain severance benefits in the event that Access terminates his employment without cause or if Mr. Thompson terminates his employment following a change of control. In the event that Access terminates the employment agreement for any reason, other than cause, Mr. Thompson will receive salary for six months. Access will also continue benefits for such period. In the event that Mr. Thompson's employment is terminated within six months following a change of control or by Mr. Thompson upon the occurrence of certain events following a change in control, Mr. Thompson will receive twelve months salary and his stock options will become immediately exercisable. Access will also continue payment of benefits for such period.

#### **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) ("Section 16(a)") of the Securities Exchange Act of 1934, as amended, requires our directors, executive officers and holders of more than ten percent of our Common Stock to file with the SEC initial reports of ownership and reports of changes in ownership of such securities. Directors, officers and 10% holders are required by SEC rules to furnish us with copies of all of the Section 16(a) reports they file.

Based solely on a review of reports furnished to us during the 2008 fiscal year or written representations from our directors and executive officers, and except as previously disclosed, none of our directors, executive officers and 10% holders failed to file on a timely basis reports required by Section 16(a) during the 2008 fiscal year or in prior years, except for SCO Capital Partners LLC who filed an amended Form 4 on February 6, 2008, and Larry N. Feinberg, jointly with Oracle Associates LLC, Oracle Partners LP, Oracle Institutional Partners LP, and Oracle Investment Management Inc., who collectively filed a late Form 4 covering a series of transactions between February 2005 and March 2008. Additionally, a late Form 3 was filed by each of Oracle Associates LLC, Oracle Investment Management Inc., Oracle Partners LP, and Oracle Institutional Partners LP.

#### **Certain Relationships and Related Transactions**

On occasion we may engage in certain related party transactions. Our policy is that all related party transactions are reviewed and approved by the Board of Directors or Audit Committee prior to the Company entering into any related party transactions.

On February 12, 2008, the Board of Directors of the Company elected Steven H. Rouhandeh as director and Chairman of the Board effective as of March 4, 2008. Mr. Rouhandeh is Chief Investment Officer of SCO Capital Partners, L.P. In the event SCO Capital Partners LLC ("SCO") and its affiliates were to convert all of their shares of Series A Preferred Stock and exercise all of their warrants, they would own approximately 59.0% of the voting securities of Access. During 2008 SCO and affiliates were paid \$191,000 in placement agent fees relating to the issuance of preferred stock and were issued warrants to purchase 39,667 shares of our common stock. During 2007 SCO and affiliates were paid \$240,000 in placement agent fees relating to the issuance of preferred stock and were issued warrants to purchase 100,000 shares of our Common Stock. SCO and affiliates also were paid \$232,000 in investor relations fees in 2008 and \$150,000 in investor relations fees in 2007.

On February 25, 2009 we closed our acquisition of MacroChem Corporation. In connection with the merger, Access issued an aggregate of approximately 2.5 million shares of Access Pharmaceuticals, Inc. common stock to the holders of MacroChem common stock and in-the-money warrant holders as consideration, having a value of approximately \$3,500,000 (the value was calculated using Access' stock price on February 25, 2009, times the number of shares issued).

In addition, on February 25, 2009, we issued 859,172 shares of our unregistered common stock to the holders of \$825,000 of MacroChem notes and interest in exchange for cancellation of those notes. We also issued 60,000 shares of our unregistered common stock in exchange for the settlement and release agreement with David P. Luci, Chief Business Officer of MacroChem Corporation. Mr. Luci is a director of Access. Additionally, on February 25, 2009 we issued 35,000 shares of our unregistered common stock in exchange for the cancellation of employment agreements to two former executives of MacroChem. The securities issued to the former MacroChem noteholders and the former executives were issued under section 4(2) of the Securities Act, as amended.

Prior to our acquisition of MacroChem Corporation, SCO and its affiliates and Lake End Capital LLC owned approximately 63% of MacroChem.

In connection with the sale and issuance of Series A Preferred Stock and warrants, we entered into a Director Designation Agreement whereby we agreed to continue SCO's right to designate two individuals to serve on the Board of Directors of Access.

David P. Luci, one of our directors, participated in the February 2008 sale of our preferred stock. Mr. Luci purchased 2.5 preferred shares for \$25,000 and warrants to purchase 4,167 shares of our common stock. In addition, Mr. Luci was the President & Chief Business Officer of MacroChem, which we acquired on February 25, 2009, pursuant to a Merger Agreement dated July 9, 2008.

Dr. Esteban Cvitkovic, a Director, has served as a consultant and Senior Director, Oncology Clinical Research & Development, since August 2007. Dr. Cvitkovic currently receives \$20,000 per month plus \$2,500 for office expenses. During 2008, Dr. Cvitkovic received \$350,000 from us for consulting services. In January 2008, Dr. Cvitkovic also received for his consulting services, warrants to purchase 200,000 shares of our Common Stock which warrants can be exercised until January 4, 2012. The warrants vest over two years in 50,000 share blocks with vesting on July 4, 2008, January 4, 2009, July 4, 2009, and the remaining shares on January 4, 2010.

Stephen B. Howell, M.D., a Director, received payments for consulting services and reimbursement of direct expenses. His consulting agreement expired in March 1, 2008. Dr. Howell was paid \$32,000 in 2008 in consulting fees.

On October 12, 2000, the Board authorized a restricted stock purchase program. Under the program, our executive officers were given the opportunity to purchase shares of Common Stock in an individually designated amount per participant determined by our Compensation Committee. A total of 36,000 shares were purchased by such officers at \$27.50 per share, the fair market value of the Common Stock on October 12, 2000, for an aggregate consideration of \$990,000. The purchase price was paid through the participant's delivery of a 50%-recourse promissory note payable to us. Each note bears interest at 5.87% compounded semi-annually and has a maximum term of ten years. The notes are secured by a pledge to us of the purchased shares. We recorded the notes receivable of \$990,000 from participants in this program as a reduction of equity in the Consolidated Balance Sheet. As of December 31, 2008, principal and interest on the notes was: Mr. Gray - \$908,000; Dr. Nowotnik - \$454,000; and Mr. Thompson - \$272,000. In accordance with the Sarbanes-Oxley Act of 2002, we no longer make loans to our executive officers. Interest on the notes is neither being collected nor accrued.

## **PROPOSAL 2**

### **RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Whitley Penn LLP, independent registered public accounting firm, has been the independent registered public accounting firm of the Company since September 2006. The Board has recommended that the stockholders ratify the reappointment of Whitley Penn LLP as the Company's independent registered public accounting firm for the current year.

A representative of Whitley Penn LLP is expected to be present at the Meeting and will be afforded an opportunity to make a statement, if such representative desires to do so, and will be available to respond to appropriate questions.

**UNLESS OTHERWISE INDICATED THEREON, THE ACCOMPANYING PROXY WILL BE VOTED FOR THE RATIFICATION OF WHITLEY PENN LLP. YOUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR RATIFICATION OF THE APPOINTMENT OF WHITLEY PENN LLP AS THE PRINCIPAL INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING DECEMBER 31, 2009.**

**RATIFICATION BY STOCKHOLDERS IS NOT REQUIRED. IF PROPOSAL 2 IS NOT APPROVED BY THE STOCKHOLDERS, THE BOARD DOES NOT PLAN TO CHANGE THE APPOINTMENT FOR FISCAL YEAR 2009 BUT WILL CONSIDER SUCH VOTE IN SELECTING OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR FISCAL YEAR 2010.**

Proposal 2 will be approved upon the affirmative vote of a majority in interest of shares of Common Stock and Preferred Stock present in person or represented by proxy at the Meeting and entitled to vote on such proposal.

### **PROPOSAL 3**

#### **OTHER MATTERS**

As of the date of this Proxy Statement, the Board has no knowledge of any matters to be presented for consideration at the Meeting other than those referred to above. If (i) any matters not within the knowledge of the Board as of the date of this Proxy Statement should properly come before the Meeting; (ii) a person not named herein is nominated at the Meeting for election as a director because a nominee named herein is unable to serve or for good cause will not serve; (iii) any proposals properly omitted from this Proxy Statement and the form of proxy, subject to applicable laws and our Certificate of Incorporation and Bylaws, should come before the Meeting; or (iv) any matters should arise incident to the conduct of the Meeting, then the proxies will be voted by the persons named in the enclosed form of proxy, or their substitutes acting thereunder, in accordance with the recommendations of the Board, or, if no such recommendations are made, in accordance with their best judgment.

#### **STOCKHOLDER PROPOSALS FOR 2010 ANNUAL MEETING**

The 2010 annual meeting of stockholders is expected to be held on or about May 13, 2010. The Board will make provisions for the presentation of proposals submitted by eligible stockholders who have complied with the relevant rules and regulations of the SEC as well as those contained in our charter and by-laws. These requirements are summarized above under the heading *Nomination and Election of Directors*. We must receive such proposals no later than December 28, 2009, to be considered for inclusion in the Company's proxy statement and form of proxy relating to that meeting. Additionally, with respect to nominations and proposals not to be included in the form of proxy and proxy statement relating to that meeting, we must receive nominations for the election of directors not later than January 13, 2010, and March 15, 2010, for all other proposals.

#### **STOCKHOLDERS SHARING AN ADDRESS OR HOUSEHOLD**

Only one copy of our Annual Report and Proxy Statement is being delivered to multiple security holders sharing an address unless we have received instructions to the contrary from one or more of the stockholders.

We will deliver promptly upon written or oral request a separate copy of our Annual Report and Proxy Statement to any stockholder at a shared address to which a single copy of any of those documents was delivered. To receive a separate copy of our Annual Report and Proxy Statement, or if two stockholders sharing an address have received two copies of any of these documents and desire to only receive one, you may write Company, c/o Investor Relations, at our principal executive offices at 2600 Stemmons Freeway, Suite 176, Dallas, Texas 75207 or call the Company at 214-905-5100

#### **COST AND METHOD OF SOLICITATION**

We will pay the cost of soliciting proxies. Proxies may be solicited on behalf of the Company by directors, officers or employees of Access Pharmaceuticals in person or by telephone, facsimile or other electronic means. As required by the SEC, we also will reimburse brokerage firms and other custodians, nominees and fiduciaries for their expenses incurred in sending proxies and proxy materials to beneficial owners of our common stock.

#### **FORM 10-K**

Our Annual Report on Form 10-K for the 2008 fiscal year is available without charge to each stockholder, upon written request to the Company, c/o Investor Relations, at our principal executive offices at 2600 Stemmons Freeway, Suite 176, Dallas, Texas 75207 and is also available on our website at <http://www.accesspharma.com> under the heading "Investor Relations".

#### **FINANCIAL STATEMENTS**

The financial statements of the Company are contained in the Company's Form 10-K for the 2008 fiscal year end which accompany this Proxy Statement and are incorporated herein by reference.

**EACH STOCKHOLDER IS URGED TO COMPLETE, DATE, SIGN AND RETURN THE ENCLOSED PROXY CARD IN THE ENCLOSED ENVELOPE PROVIDED FOR THAT PURPOSE AND ADDRESSED TO ACCESS PHARMACEUTICALS, INC, c/o AMERICAN STOCK TRANSFER & TRUST COMPANY, 40 WALL STREET, 46TH FLOOR, NEW YORK, NEW YORK 10005. A PROMPT RESPONSE IS HELPFUL AND YOUR COOPERATION IS APPRECIATED.**

By Order of the Board,

/s/ Jeffrey B. Davis

Jeffrey B. Davis  
Chief Executive Officer



**ACCESS PHARMACEUTICALS, INC.**  
**2600 Stemmons Freeway, Suite 176, Dallas, Texas 75207**

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS**

The undersigned stockholder, having received the Notice of Annual Meeting of Stockholders and Proxy Statement dated April 23, 2009, and revoking any proxy heretofore given, hereby appoints each of Jeffrey B. Davis and Stephen B. Thompson, or either of them, Proxies of the undersigned with full power of substitution, to cumulate votes and to vote all shares of Common Stock and Preferred Stock of Access Pharmaceuticals, Inc. which the undersigned is entitled to vote at the Annual Meeting of Stockholders to be held Wednesday, May 27, 2009 at 10:00 a.m., local time, at the offices of Bingham McCutchen LLP, 399 Park Avenue, 21st Floor, New York, New York 10022, (212) 705-7000, or any postponement or adjournment thereof.

**This Proxy, when properly executed, will be voted in the manner directed herein by the undersigned stockholder. If no direction is made, this Proxy will be voted FOR each Director nominee listed in Proposal 1, and FOR Proposal 2.**

In their discretion, the named Proxies are authorized to vote on any other matters which may properly come before the Meeting or any postponement or adjournment thereof as set forth in the Proxy Statement.

(continued and to be signed on the reverse side)

**The Board Recommends a vote "For" the election of Directors listed in Proposal 1, and "For" Proposal 2. Please sign, date and return this Proxy promptly in the enclosed envelope. Please mark your vote in blue or black ink as shown here.**

1. Election of Directors:

- |                          |   |                 |                     |                       |
|--------------------------|---|-----------------|---------------------|-----------------------|
| <input type="checkbox"/> | FOR ALL NOMINEES                                    | Nominees: _____ | Steven H. Rouhandeh | Class 2 – 3 Year Term |
|                          |   | _____           | Stephen B. Howell   | Class 2 – 3 Year Term |
|                          |   | _____           | David P. Luci       | Class 2 – 3 Year Term |
| <input type="checkbox"/> | WITHHOLD AUTHORITY<br>FOR ALL NOMINEES              |                 |                     |                       |
| <input type="checkbox"/> | FOR ALL NOMINEES EXCEPT<br>(see instructions below) |                 |                     |                       |

(INSTRUCTIONS: To withhold authority to vote for any individual nominee(s), mark "FOR ALL NOMINEES EXCEPT" and fill in the space provided next to each nominee you wish to withhold, as shown here: [X])

- |    |   |            |                |                |
|----|---|------------|----------------|----------------|
| 2. | Proposal to ratify the appointment of Whitley Penn LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2009. | FOR<br>[ ] | AGAINST<br>[ ] | ABSTAIN<br>[ ] |
| 3. | To consider and act upon any other matters which may properly come before the Meeting or any postponement or adjournment thereof.                         | FOR<br>[ ] | AGAINST<br>[ ] | ABSTAIN<br>[ ] |

PLEASE MARK, SIGN AND DATE BELOW AND RETURN THIS PROXY PROMPTLY USING THE ENCLOSED ENVELOPE.

Proxies will also be accepted by transmission of a facsimile provided that such facsimile contains sufficient information from which it can be determined that the transmission was authorized by the stockholder delivering such Proxy. Telegrams or cablegrams may be addressed to American Stock Transfer & Trust Company at the address appearing on the attached envelope or via telecopy at (718) 234-2287.

Shares Held: \_\_\_\_\_ Common Stock; \_\_\_\_\_ Preferred Stock

THIS PROXY IS SOLICITED ON BEHALF OF ACCESS PHARMACEUTICALS, INC.'S BOARD OF DIRECTORS AND MAY BE REVOKED BY THE STOCKHOLDER PRIOR TO BEING VOTED AT THE 2009 ANNUAL MEETING OF STOCKHOLDERS BY SUBMITTING ANOTHER PROXY BEARING A LATER DATE OR BY GIVING NOTICE IN WRITING TO OUR SECRETARY NOT LATER THAN THE DAY PRIOR TO THE MEETING.

Signature of Stockholder \_\_\_\_\_ Date \_\_\_\_\_ Signature of Stockholder \_\_\_\_\_ Date \_\_\_\_\_

**NOTE:** Please sign exactly as name or names appear on this Proxy. When shares are held jointly each holder must sign. When signing as executor, administrator, attorney, trustee or guardian, please give full title as such. If signer is a corporation, please sign full corporate name by duly authorized officer, giving full title as such. If signer is a partnership, please sign in partnership name by authorized person.