

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Grant of a Security Interest in Grantor's (Debtor's) Ownership Rights to Grantee (Secured Party)

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Verus Pharmaceuticals, Inc.		04/01/2005	CORPORATION: DELAWARE

RECEIVING PARTY DATA

Name:	Paul Royalty Funds Holdings II
Street Address:	50 California Street
Internal Address:	Suite 3000
City:	San Francisco
State/Country:	CALIFORNIA
Postal Code:	94111
Entity Type:	LIMITED PARTNERSHIP:

PROPERTY NUMBERS Total: 3

Property Type	Number	Word Mark
Serial Number:	78470999	TWINJECT
Registration Number:	2992781	TWINJECT
Serial Number:	78602365	THINK TWICE

CORRESPONDENCE DATA

Fax Number: (703)816-4100
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 703-816-4000
 Email: wfg@nixonvan.com
 Correspondent Name: Willem F. Gadiano
 Address Line 1: Nixon & Vanderhye P.C.
 Address Line 2: 901 North Glebe Road, 11th Floor
 Address Line 4: Arlington, VIRGINIA 22203-1808

ATTORNEY DOCKET NUMBER:	4379-11
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CH \$90.00 78470999

NAME OF SUBMITTER:	Willem F. Gadiano
Signature:	/wfg47/
Date:	11/29/2005
Total Attachments: 4 source=verus#page1.tif source=verus#page2.tif source=verus#page3.tif source=verus#page4.tif	

DELAWARE DEPARTMENT OF STATE
 U.C.C. FILING SECTION
 FILED 02:20 PM 04/01/2005
 INITIAL FILING NUM: 5100710 4
 AMENDMENT NUMBER: 000000
 SRV: 050266725

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A NAME & PHONE OF CONTACT AT FILER (optional)

B SEND ACKNOWLEDGMENT TO: (Name and Address)

Sharmila Acharl
 Morgan, Lewis & Bockius LLP
 101 Park Avenue
 New York, NY 10178

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1 DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a ORGANIZATION'S NAME
 Versas Pharmaceuticals, Inc.

OR 1b INDIVIDUAL'S LAST NAME

2a ORGANIZATION'S NAME

2b INDIVIDUAL'S LAST NAME

3a FIRST NAME

3b FIRST NAME

4a MIDDLE NAME

4b MIDDLE NAME

5a SUFFIX

5b SUFFIX

6a MAILING ADDRESS
 12671 High Bluff Drive, Suite 200

6b CITY
 San Diego

6c STATE
 CA

6d POSTAL CODE
 92130

6e COUNTRY
 USA

7a TYPE OF ORGANIZATION
 Corporation

7b JURISDICTION OF ORGANIZATION
 Delaware

7c ORGANIZATIONAL ID# if any

7d NONE

2 ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a ORGANIZATION'S NAME

OR 2b INDIVIDUAL'S LAST NAME

3a FIRST NAME

3b FIRST NAME

4a MIDDLE NAME

4b MIDDLE NAME

5a SUFFIX

5b SUFFIX

6a MAILING ADDRESS

6b CITY

6c STATE

6d POSTAL CODE

6e COUNTRY

7a TYPE OF ORGANIZATION

7b JURISDICTION OF ORGANIZATION

7c ORGANIZATIONAL ID# if any

7d NONE

3 SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSET) - Insert only one secured party name (3a or 3b)

3a ORGANIZATION'S NAME
 Paul Royalty Funds Holdings II

OR 3b INDIVIDUAL'S LAST NAME

4a FIRST NAME

4b FIRST NAME

5a MIDDLE NAME

5b MIDDLE NAME

6a SUFFIX

6b SUFFIX

7a MAILING ADDRESS
 50 California Street, Suite 3000

7b CITY
 San Francisco

7c STATE
 CA

7d POSTAL CODE
 94111

7e COUNTRY
 USA

4 THE FINANCING STATEMENT covers the following collateral:

All of the Debtor's right, title and interest in the Collateral Intellectual Property, the Collateral Product, the Collateral License Agreement, and all other rights to the items contained within the collateral description, as more fully set forth on Schedule I attached hereto.

5. ALTERNATIVE DESIGNATION (if applicable) | 6. LENDER/LESSOR | 7. COLLATERAL RECEIPTS/CONSIGNOR | 8. BAILEE/BAILOC | 9. SELLER/BUYER | 10. AG. UEN | 11. NON-UCC FILING

12. THIS FINANCING STATEMENT (a) is to be filed for record; (b) recorded in the PUBLIC RECORDS; (c) is to be filed for record; (d) recorded in the PUBLIC RECORDS; (e) is to be filed for record; (f) recorded in the PUBLIC RECORDS

13. Check to REQUEST SEARCH REPORT(s) on (a) Debtor 1; (b) Debtor 2; (c) Debtor 3; (d) ALL Debtors

14. ADDITIONAL FEES

15. OPTIONAL FILER REFERENCE DATA

DE-SOS

Lexiplex Document Solutions
 801 Adlai Stevenson Drive
 #1000
 Silver Spring, MD 20910
 (301) 583-6600
TRADEMARK

227870ML

SCHEDULE 1 TO UCC-1 FINANCING STATEMENT

Debtor: Verus Pharmaceuticals, Inc.
12671 High Bluff Drive
Suite 200
San Diego, CA 92130

Secured Party: Paul Royalty Funds Holdings II
50 California Street
Suite 3000
San Francisco, CA 94111

DEFINITIONS:

"Collateral Intellectual Property" shall mean trade secrets; know-how; confidential information; inventions (whether patentable or unpatentable and whether or not reduced to practice or claimed in a pending patent application) and improvements thereto; patents; registered or unregistered trademarks, trade names, service marks, including all goodwill associated therewith; registered and unregistered copyrights and all applications thereof; in each case that are owned, controlled by, issued to, licensed to, licensed by or hereafter acquired by or licensed by the Debtor, in each case embodied by, encompassing or necessary for the Collateral Product.

"Collateral License Agreements" shall mean any development, commercialization, distribution, co-promotion, manufacturing, marketing, co-marketing, collaboration or partnering agreement entered into by Debtor or any of its affiliates as of March 29, 2005 or during the term of the Revenue Interests Assignment Agreement entered into as of March 29, 2005, between the Debtor and the Secured Party (the "Revenue Interests Assignment Agreement") pursuant to which the Debtor or its affiliates grant rights or licenses relating to any Collateral Product that has received regulatory approval in a regulatory jurisdiction as of the date of inquiry.

"Collateral Product" shall mean any product that has received regulatory approval in a regulatory jurisdiction for anaphylaxis, anaphylactic shock and/or the emergency treatment of severe allergic reactions relating to anaphylaxis, including without limitation the products currently referred to as Twinject 0.3 mg, Twinject 0.15 mg, Twinject 0.3 mg 2-Pack and Twinject 0.15 mg 2-Pack.

All capitalized terms used herein and not defined above are defined within the Security Agreement, dated as of March 29, 2005, between the Debtor and Verus.

COLLATERAL:

All of the Debtor's right, title, and interest in the in the following personal property, whether now or hereafter existing, whether tangible or intangible, and wherever the same may be located:

- (a) the Collateral Intellectual Property and the Collateral Product;
- (b) the Collateral License Agreements, including, without limitation, (i) all rights of Debtor to receive monies due or to become due under or pursuant to the Collateral License Agreements, (ii) all rights of Debtor to receive proceeds of any insurance, indemnity, warranty or guaranty with respect to the Collateral License Agreements, (iii) all claims of Debtor for damages arising out of any breach of or default under the Collateral License Agreements, and (iv) all rights of Debtor to terminate, amend, supplement, modify or exercise rights or options under the Collateral License Agreements, except as otherwise set forth in the Revenue Interests Assignment Agreement, to perform thereunder and to compel performance and otherwise exercise all remedies thereunder;
- (c) all Accounts, contract rights, payment intangibles, Instruments and General Intangibles, in each case, constituting, comprising or evidencing any of the foregoing;
- (d) certain identified Deposit Accounts and all funds, monies, Checks and other items from time to time credited thereto or on deposit therein;
- (e) all books, records, databases, information, clinical data, test results, study results and regulatory filings and approvals, in each case, specifically relating to any of the foregoing;
- (f) all proceeds, products, rents and profits, of or from, and all tangible property and inventories related to, any and all of the foregoing, the Assigned Interests, the Revenue Interests, and, to the extent not otherwise included, all payments under insurance (whether or not Secured Party is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing; and
- (g) all rights to license or otherwise exploit the Collateral Intellectual Property.

Notwithstanding the foregoing, "Collateral" shall not include any lease, license, or contract if and for so long as the grant of such security interest shall constitute or result in (i) the abandonment, invalidation or unenforceability of any right, title or interest of Debtor therein or (ii) a breach or termination pursuant to the terms of, or a default under, any such lease, license, contract or agreement (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC).

SCHEDULE 1 (continued)

Collateral Intellectual Property

Mark	Reg. No.	Reg. Date	Serial No./ Filing Date	Owner
TWINJECT			78/470999 20 AUG 2004	Verus Pharmaceuticals, Inc.
TWINJECT	2992781	6 SEP 2005	76/309722 6 SEP 2001	Verus Pharmaceuticals, Inc.
THINK TWICE			78/602365 5 APR 2005	Verus Pharmaceuticals, Inc.