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

FORM 10-Q

(Mark One)

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2015

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

RETROPHIN, INC.
(Exact name of registrant as specified in its charter)

Delaware	**001-36257**	**27-4842691**
(State or other jurisdiction of incorporation or organization)	**(Commission File No.)**	**(I.R.S. Employer Identification No.)**

12255 El Camino Real, Suite 250,
San Diego, CA 92130
(Address of Principal Executive Offices)

---

(760) 260-8600
(Registrant's Telephone number including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes þ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes þ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer	☐	Accelerated filer	þ
Non-accelerated filer	☐	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No þ

The number of shares of outstanding common stock, par value $0.0001 per share, of the Registrant as of May 1, 2015 was 34,960,979.

RETROPHIN, INC. AND SUBSIDIARIES

Form 10-Q
March 31, 2015

TABLE OF CONTENTS

FORWARD LOOKING STATEMENTS

This report contains forward-looking statements regarding our business, financial condition, results of operations and prospects. Words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates” and similar expressions or variations of such words are intended to identify forward-looking statements, but are not deemed to represent an all-inclusive means of identifying forward-looking statements as denoted in this report. Additionally, statements concerning future matters are forward-looking statements.

Although forward-looking statements in this report reflect the good faith judgment of our management, such statements can only be based on facts and factors currently known by us. Consequently, forward-looking statements are inherently subject to risks and uncertainties and actual results and outcomes may differ materially from the results and outcomes discussed in or anticipated by the forward-looking statements. Factors that could cause or contribute to such differences in results and outcomes include, without limitation, those specifically addressed under the headings “Risks Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our annual report on Form 10-K for the fiscal year ended December 31, 2014, as amended, in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this Form 10-Q and information contained in other reports that we file with the Securities and Exchange Commission (the “SEC”). You are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this report.

We file reports with the SEC. The SEC maintains a website (www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC, including us. You can also read and copy any materials we file with the SEC at the SEC’s Public Reference Room at 100 F Street, NE, Washington, DC 20549. You can obtain additional information about the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330.

We undertake no obligation to revise or update any forward-looking statements in order to reflect any event or circumstance that may arise after the date of this report, except as required by law. Readers are urged to carefully review and consider the various disclosures made throughout the entirety of this quarterly report, which are designed to advise interested parties of the risks and factors that may affect our business, financial condition, results of operations and prospects.

PART I-FINANCIAL INFORMATION

Item 1. Financial Statements

RETROPHIN, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2015 (unaudited)	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	$ 120,174,877	$ 18,204,282
Marketable securities	6,159,962	9,556,098
Accounts receivable, net	8,162,535	7,959,411
Inventory, net	1,718,365	800,507
Pediatric priority review voucher-held for sale	96,250,000	-
Prepaid expenses and other current assets	1,077,355	813,364
Total current assets	233,543,094	37,333,662
Property and equipment, net	618,620	670,796
Security deposits	337,014	337,014
Restricted cash	40,000	40,000
Other asset	1,987,364	1,888,035
Intangible assets, net	169,835,098	94,265,530
Goodwill	935,935	935,935
Deferred tax asset	8,691,307	-
Total assets	$ 415,988,432	$ 135,470,972
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Deferred technology purchase liability	$ 1,000,000	$ 1,000,000
Accounts payable	5,913,027	7,124,330
Accrued expenses	19,346,699	27,882,995
Other liability	943,615	938,209
Acquisition-related contingent consideration	2,880,577	2,117,565
Derivative financial instruments, warrants	63,390,000	27,990,000
Deferred income tax liability	8,691,307	-
Note payable	-	40,485,452
Total current liabilities	102,165,225	107,538,551
Convertible debt	43,439,333	43,287,814
Note payable	40,803,627	-
Other liability	12,294,520	12,234,513
Acquisition-related contingent consideration, less current portion	48,718,710	9,519,662
Deferred income tax liability, net	-	141,151
Total liabilities	247,421,415	172,721,691
Commitments and contingencies		
Stockholders' Equity (Deficit):		
Preferred stock $0.001 par value; 20,000,000 shares authorized; 0 issued and outstanding as of March 31, 2015 and December 31, 2014	-	-
Common stock $0.0001 par value; 100,000,000 shares authorized; 34,845,450 and 26,428,071 issued and 34,845,450 and 26,048,480 outstanding as of March 31, 2015 and December 31, 2014, respectively	3,485	2,643
Additional paid-in capital	310,210,811	140,850,551
Treasury stock, at cost, 0 and 379,591 shares as of March 31, 2015 and December 31, 2014, respectively	-	(3,214,608)
Accumulated deficit	(142,734,440)	(179,174,858)
Accumulated other comprehensive income	1,087,161	4,285,553
Total stockholders' equity (deficit)	168,567,017	(37,250,719)
Total liabilities and stockholders' equity (deficit)	$ 415,988,432	$ 135,470,972

The accompanying notes are an integral part of these condensed consolidated financial statements.

RETROPHIN, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(Unaudited)

	Three Months Ended March 31,	
	2015	2014 (As Restated)
Net product sales	$ 17,371,800	$ 27,900
Operating expenses:		
Cost of goods sold	274,447	900
Research and development	10,346,456	6,942,323
Selling, general and administrative	14,855,340	15,146,346
Total operating expenses	25,476,243	22,089,569
Operating loss	(8,104,443)	(22,061,669)
Other income (expenses), net:		
Gain on sale of asset	204,198	-
Interest income (expense), net	(3,798,533)	536
Finance expense	(600,000)	-
Realized gain on sale of marketable securities, net	107,368	4,664
Change in fair value of derivative instruments - loss	(36,752,960)	(53,613,802)
Bargain purchase gain	48,578,208	-
Total other income (expense), net	7,738,281	(53,608,602)
Loss before provision for income taxes	(366,162)	(75,670,271)
Income tax benefit (provision)	40,021,151	(65,376)
Net income (loss)	$ 39,654,989	$ (75,735,647)
Net income (loss) per common share, basic	$ 1.46	$ (3.25)
Net income (loss) per common share, diluted	$ 1.32	$ (3.25)
Weighted average common shares outstanding, basic	27,157,883	23,334,967
Weighted average common shares outstanding, diluted	30,380,694	23,334,967
Comprehensive income (loss):		
Net income (loss)	$ 39,654,989	$ (75,735,647)
Foreign currency translation	23,006	-
Unrealized gain (loss) on sale of marketable securities	(3,221,397)	622,076
Comprehensive income (loss)	$ 36,456,598	$ (75,113,571)

The accompanying notes are an integral part of these condensed consolidated financial statements.

RETROPHIN, INC. AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31,	
	2015	2014 *(As Restated)*
Cash Flows From Operating Activities:		
Net income (loss)	$ 39,654,989	$ (75,735,647)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,778,747	127,187
Realized gain on marketable securities	(107,368)	(4,664)
Gain upon divestiture of asset	(200,000)	-
Deferred income tax provision (benefit)	(40,021,151)	65,376
Amortization of deferred financing costs	32,507	-
Amortization of debt discount	469,694	-
Lease liability	(160,034)	-
Settlement expense	-	6,711,400
Bargain purchase gain	(48,578,208)	-
Share based compensation	5,573,277	3,404,876
Derivative financial instruments, warrants, issued, recorded in interest expense	1,050,000	-
Change in estimated fair value of derivative financial instruments, warrants	36,752,960	53,613,802
Changes in operating assets and liabilities, net of acquisitions:		
Accounts receivable	(203,124)	(28,800)
Inventory	(352,740)	900
Prepaid expenses and other assets	127,392	462,861
Accounts payable and accrued expenses	(3,150,374)	1,577,036
Net cash used in operating activities	(7,333,433)	(9,805,673)
Cash Flows From Investing Activities:		
Purchase of fixed assets	(24,812)	(166,144)
Purchase of intangible assets	-	(61,343)
Proceeds from the sale of marketable securities	282,107	1,604,456
Purchase of marketable securities	-	(2,669,454)
Proceeds from securities sold, not yet purchased	-	4,314,953
Securities sold, not yet purchased	-	(4,985,462)
Cash received upon divestiture of asset	3,310,931	-
Cash paid upon acquisition, net of cash acquired	(33,430,315)	(29,150,000)
Net cash used in investing activities	(29,862,089)	(31,112,994)
Cash Flows From Financing Activities:		
Payment of acquisition-related contingent consideration	(1,763,745)	-
Proceeds from the exercise of warrants	519,602	4,039,152
Proceeds from the exercise of stock options	157,319	-
Purchase of treasury stock, at cost	-	(2,257,336)
Proceeds received from issuance of common stock	149,454,000	40,000,000
Financing costs from issuance of common stock	(9,201,059)	(3,164,993)
Net cash provided by financing activities	139,166,117	38,616,823
Net increase (decrease) in cash	101,970,595	(2,301,844)
Cash, beginning of year	18,204,282	5,997,307
Cash, end of period	$ 120,174,877	$ 3,695,463
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest	$ 2,502,500	$ -
Non-cash investing and financing activities:		
Reclassification of derivative liability to equity due to exercise of warrants	$ 2,402,960	$ 9,300,160
Present value of contingent consideration payable to sellers of Manchester Pharmaceuticals LLC	$ -	$ 12,797,210
Note payable entered into upon consummation of Manchester Pharmaceuticals LLC	$ -	$ 31,282,972
Present value of contingent consideration payable to sellers of Asklepion Pharmaceuticals LLC	$ 42,209,000	$ -
Shares issued –Cholbam acquisition	$ 15,843,584	$ -
Unrealized gain (loss) on marketable securities	$ (3,221,397)	$ 537,516
Accrued financing costs from issuance of common stock	$ 266,181	$ -
Unrealized gain on securities sold, not yet purchased	$ -	$ 84,560

The accompanying notes are an integral part of these condensed consolidated financial statements.

RETROPHIN, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. DESCRIPTION OF BUSINESS

Organization and Description of Business

In this Quarterly Report on Form 10-Q, unless the context requires otherwise, the terms "we", "our", "us", "Retrophin" and the "Company" refer to Retrophin, Inc., a Delaware corporation, as well as our direct and indirect subsidiaries. We are a fully integrated biopharmaceutical company with approximately 120 employees headquartered in San Diego, California focused on the development, acquisition and commercialization of therapies for the treatment of serious, catastrophic or rare diseases. We regularly evaluate and, where appropriate, act on opportunities to expand our product pipeline through licenses and acquisitions of products in areas that will serve patients with serious, catastrophic or rare diseases and that we believe offer attractive growth characteristics.

We currently sell the following three products:

- Chenodal® is approved in the United States for the treatment of patients suffering from gallstones in whom surgery poses an unacceptable health risk due to disease or advanced age. Chenodal® has been the standard of care for cerebrotendinous xanthomatosis ("CTX") patients for more than three decades and the Company is currently pursuing adding this indication to the label.

- Thiola® is approved in the United States for the prevention of cysteine (kidney) stone formation in patients with severe homozygous cystinuria.

- Cholbam™ is approved in the United States and Europe for the treatment of bile acid synthesis disorders due to single enzyme defects. In the United States it is further indicated for treatment patients with peroxisomal disorders.

The Company is developing RE-024, a novel small molecule, as a potential treatment for pantothenate kinase-associated neurodegeneration ("PKAN"). PKAN is a genetic neurodegenerative disorder that is typically diagnosed in the first decade of life. Consequences of PKAN include dystonia, dysarthria, rigidity, retinal degeneration, and severe digestive problems. There are currently no viable treatment options for patients with PKAN. RE-024 is a phosphopantothenate prodrug therapy that aims to restore levels of this key substrate in PKAN patients. Certain ex-US health regulators have approved the initiation of dosing RE-024 in PKAN under physician-initiated studies in accordance with local regulations in their respective countries. The Company filed a U.S. IND for RE-024 with the U.S. Food and Drug Administration ("FDA") in the first quarter of 2015 to support the initiation of Company-sponsored studies, which became effective on April 28, 2015. RE-024 was granted orphan drug designation on May 5, 2015.

Sparsentan, also known as RE-021, is an investigational therapeutic agent which acts as both a potent angiotensin receptor blocker ("ARB"), as well as a selective endothelin receptor antagonist ("ERA"), with selectivity toward endothelin receptor type A. We are developing sparsentan as a treatment for FSGS, which is a leading cause of end-stage renal disease. We are currently enrolling patients for the DUET Phase 2 clinical study of sparsentan for the treatment of FSGS. Based on the robustness of the data obtained in the DUET study, we may be able to support an application for accelerated approval for sparsentan on the basis of proteinuria as a surrogate endpoint. In the first quarter of 2015, sparsentan received orphan drug designation.

RE-034 (Tetracosactide Zinc). RE-034 is a synthetic hormone analog of the first 24 amino acids of the 39 amino acids contained in ACTH formulated using a novel process by the Company. RE-034 exhibits similar physiological actions as endogenous ACTH by binding to melanocortin receptors, resulting in its anti-inflammatory and immunomodulatory effects. The Company has successfully formulated and manufactured RE-034 at proof-of-concept scale using a novel formulation process that allows modulation of the release of the active ingredient from the site of administration. The Company intends to continue preclinical development of RE-034 to enable multiple strategic options, which may include the initiation of IND-enabling studies in 2015.

Carbetocin. Carbetocin, similar to Oxytocin, has potential utility for the treatment of milk let-down in post pregnant women, inducing contractions during labor, postpartum hemorrhage, as well as for autism and schizophrenia. We are currently exploring options relating to the future development of Carbetocin.

On January 9, 2015, the Company entered into an asset purchase agreement with Turing Pharmaceuticals A.G. ("Turing Pharmaceuticals"), a company controlled by the Company's former Chief Executive Officer, pursuant to which the Company sold Turing Pharmaceuticals its ketamine licenses and assets (the "Assets") for a purchase price of $1.0 million. Turing Pharmaceuticals also assumed all future liabilities related to the Assets.

On February 12, 2015, the Company, its wholly-owned subsidiaries Manchester Pharmaceuticals LLC (“Manchester”) and Retrophin Therapeutics International, LLC (collectively, the “Sellers”), entered into a purchase agreement with Waldun Pharmaceuticals, LLC (“Waldun”), pursuant to which the Sellers sold Waldun their product rights to Vecamyl for a purchase price of $0.7 million. Waldun in turn sold Vecamyl to Turing Pharmaceuticals. In connection therewith, on February 12, 2015, the Company and Manchester entered into an asset purchase agreement with Turing Pharmaceuticals, pursuant to which the Company and Manchester sold Turing Pharmaceuticals their Vecamyl inventory for a purchase price of $0.3 million. Turing Pharmaceuticals also assumed certain liabilities related to the Vecamyl product rights and inventory.

On February 12, 2015, the Company entered into an asset purchase agreement with Turing Pharmaceuticals, pursuant to which the Company sold Turing Pharmaceuticals its Syntocinon licenses and assets, including related inventory, for a purchase price of $1.1 million. Turing Pharmaceuticals also assumed certain liabilities related to the Syntocinon assets and licenses.

2015 Public Offering

On March 24, 2015, we completed a public offering of 7,866,000 shares of common stock at a price of $19.00 per share. We received net proceeds from the offering of $140.0 million, after deducting underwriting fees and other offering costs of $9.5 million. The shares of common stock were offered by us pursuant to a shelf registration statement that was declared effective by the SEC on March 13, 2015.

Acquisition of Cholic Acid

On January 12, 2015, the Company announced the signing of a definitive agreement under which it acquired the exclusive right to purchase from Asklepion Pharmaceuticals, LLC (“Asklepion”), all worldwide rights, titles, and ownership of Cholbam™ (cholic acid) for the treatment of bile acid synthesis defects, if approved by the FDA. Under the terms of the agreement, Retrophin paid Asklepion an upfront payment of $5.0 million and agreed to pay milestones based on FDA approval and net product sales, plus tiered royalties on future net sales of Cholbam™. Retrophin secured a commitment for a line of credit from its existing lenders to cover necessary payments (see Note 10).

On March 18, 2015, the Company announced that the FDA approved Cholbam™ capsules, the first FDA approved treatment for pediatric and adult patients with bile acid synthesis disorders due to single enzyme defects, and for patients with peroxisomal disorders (including Zellweger spectrum disorders). As a result of the approval, Retrophin exercised its right to purchase from Asklepion all worldwide rights, titles, and ownership of Cholbam™ and related assets. The FDA also granted Asklepion a Rare Pediatric Disease Priority Review Voucher ("Pediatric PRV"), awarded to encourage development of new drugs and biologics for the prevention and treatment of rare pediatric diseases. This Pediatric PRV is transferable and provides the bearer with FDA priority review classification for a new drug application. The Pediatric PRV was transferred to Retrophin under the original terms of the agreement with Asklepion. The Pediatric PRV is classified as a current asset in the condensed consolidated balance sheet as the Company intends to sell the Pediatric PRV in 2015, and is currently in negotiations.

On March 31, 2015, the Company completed its acquisition from Asklepion of all worldwide rights, titles and ownership of Cholbam™, including all related contracts, data assets, intellectual property, regulatory assets and the Pediatric PRV (see Note 5). The Company utilized cash proceeds from its 2015 public offering to complete the acquisition, and as a result, did not utilize the commitment from its lenders.

NOTE 2. BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements of the Company should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2014 (the “2014 10-K”) filed with the Securities and Exchange Commission (the “SEC”) on March 11, 2015, and amended on March 13, 2015. The accompanying condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) for interim financial information, the instructions to Form 10-Q and the rules and regulations of the SEC. Accordingly, since they are interim statements, the accompanying condensed consolidated financial statements do not include all of the information and notes required by GAAP for annual financial statements, but reflect all adjustments consisting of normal, recurring adjustments, that are necessary for a fair presentation of the financial position, results of operations and cash flows for the interim periods presented. Interim results are not necessarily indicative of results for a full year. The December 31, 2014 balance sheet information was derived from the audited financial statements as of that date.

NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying condensed consolidated financial statements follows:

Principles of Consolidation

The unaudited condensed consolidated financial statements represent the consolidation of the accounts of the Company and its subsidiaries in conformity with GAAP. All intercompany accounts and transactions have been eliminated in consolidation.

Restatement of Prior Quarters

We held a Special Meeting of Stockholders on February 3, 2015, at which our stockholders voted to approve a proposal ratifying the prior issuance of stock options to purchase 1,928,000 shares of common stock and 230,000 restricted shares of common stock granted to employees between February 24, 2014 and August 18, 2014 (the “Ratified Equity Grants”). Our Form 10-Q for the three months ended March 31, 2014 contained errors related to the non-cash compensation expense recognized in connection with the Ratified Equity Grants, because the grant/measurement date of the Ratified Equity Grants for financial accounting purposes did not occur until their ratification at the Special Meeting of Stockholders on February 3, 2015. In addition, our Form 10-Q for the three months ended March 31, 2014 contained errors related to certain consulting agreements entered into by the Company, pursuant to which an expense and a settlement liability related to the entire amount of the stock to be issued under such consulting agreements should have been taken and revaluated at each reporting period based on changes in the Company’s stock price, until the stock had been entirely issued. We believe that the errors in the Form 10-Q for the three months ended March 31, 2014 do not cause the financial statements included therein to be misleading, and therefore such financial statements can still be relied upon. However, we have corrected such errors, including any related disclosures, in this Form 10-Q for the three months ended March 31, 2015, and will restate future quarters to correct such errors, as applicable. The impact for the three months ended March 31, 2014, was an increase to operating expenses of $5.1 million, and an increase in net loss of $5.1 million.

Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standard Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-09, *Revenue from Contracts with Customers*. While the standard supersedes existing revenue recognition guidance, it closely aligns with current GAAP. Under the new standard, revenue is recognized at the time a good or service is transferred to a customer for the amount of consideration received for that specific good or service. Entities may use a full retrospective approach or report the cumulative effect as of the date of adoption. On April 1, 2015, the FASB proposed deferring the effective date by two years to December 15, 2018 for annual reporting periods beginning after that date. The FASB also proposed permitting early adoption of the standard, but not before the original effective date of December 15, 2016. We are currently evaluating the impact, if any, the adoption of this standard will have on our consolidated financial statements.

In February 2015, the FASB issued ASU No. 2015-02, *Consolidation (Topic 810): Amendments to the Consolidation Analysis.* The new consolidation standard changes the way reporting enterprises evaluate whether (a) they should consolidate limited partnerships and similar entities, (b) fees paid to a decision maker or service provider are variable interests in a variable interest entity ("VIE"), and (c) variable interests in a VIE held by related parties of the reporting enterprise require the reporting enterprise to consolidate the VIE. The guidance is effective for public business entities for annual and interim periods in fiscal years beginning after December 15, 2015. Early adoption is allowed, including early adoption in an interim period. A reporting entity may apply a modified retrospective approach by recording a cumulative-effect adjustment to equity as of the beginning of the fiscal year of adoption or may apply the amendments retrospectively. The Company is currently assessing the impact of the adoption of this guidance, if any, on the consolidated financial statements.

In April 2015, the FASB issued ASU No. 2015-03, *Simplifying the Presentation of Debt Issuance Costs*. This standard amends existing guidance to require the presentation of debt issuance costs in the balance sheet as a deduction from the carrying amount of the related debt liability instead of a deferred charge. It is effective for annual reporting periods beginning after December 15, 2015, but early adoption is permitted. The Company has chosen not to early adopt this standard.

NOTE 4. INCOME TAXES

The Company follows FASB ASC 740, *Income Taxes*, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are based on the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the asset will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The standard addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under FASB ASC 740, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement. FASB ASC 740 also provides guidance on de-

recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. As of March 31, 2015 and December 31, 2014, the Company had recorded an indemnification asset with a corresponding liability in the amount of $1.5 million, respectively, for an uncertain tax position related to the acquisition of Manchester Pharmaceuticals, LLC. The Company is indemnified with respect to the liability and has recorded an indemnification asset on the balance sheet.

In connection with the acquisition of Cholbam™, the Company recorded a deferred tax liability of $39.9 million. Based on the fact that the reversal of the deferred tax liability is viewed as a source of income pursuant to ASC 740, the Company was able to reduce its existing valuation allowance by $39.9 million in the first quarter. The deferred tax liabilities supporting the ability to realize the deferred tax assets in the above acquisition will reverse in the same period, are in the same jurisdiction and are of the same character as the temporary differences that gave rise to those deferred tax assets.

NOTE 5. BUSINESS ACQUISITION

Acquisition of Cholic Acid

On January 12, 2015, the Company announced the signing of a definitive agreement under which it acquired the exclusive right to purchase from Asklepion, all worldwide rights, titles, and ownership of Cholbam™ (cholic acid) for the treatment of bile acid synthesis defects, if approved by the FDA. Under the terms of the agreement, Retrophin paid Asklepion an upfront payment of $5.0 million and agreed to pay milestones based on FDA approval and net product sales, plus tiered royalties on future net sales of Cholbam™.

On March 18, 2015, the Company announced that the FDA has approved Cholbam™ capsules, the first FDA approved treatment for pediatric and adult patients with bile acid synthesis disorders due to single enzyme defects, and for patients with peroxisomal disorders (including Zellweger spectrum disorders). As a result of the approval, Retrophin exercised its right to purchase from Asklepion all worldwide rights, titles, and ownership of Cholbam™ and related assets. The FDA also granted Asklepion a Pediatric PRV, awarded to encourage development of new drugs and biologics for the prevention and treatment of rare pediatric diseases. This Pediatric PRV is transferable and provides the bearer with FDA priority review classification for a new drug application. The Pediatric PRV was transferred to Retrophin under the original terms of the agreement with Asklepion. The Pediatric PRV is classified as a current asset in the condensed consolidated balance sheet as the company intends to sell the Pediatric PRV in 2015, and is currently in negotiations.

On March 31, 2015, the Company completed its acquisition from Asklepion of all worldwide rights, titles and ownership of Cholbam™, including all related contracts, data assets, intellectual property, regulatory assets and the Pediatric PRV, in exchange for a cash payment of $28.4 million, in addition to approximately 661,279 shares of the Company's common stock (initially valued at $9 million at the time of the Purchase Agreement, and $15.8 million at the time of acquisition completion date). The Company may also be required to pay contingent consideration consisting of milestones and tiered royalties with a present value of $42.2 million.

The Pediatric PRV is fair valued at $96.3 million. In this valuation process, we considered various factors which included data from recent sales of similar vouchers. The consideration paid did not contemplate the voucher because the issuance of a voucher is extremely rare. Therefore when the FDA granted the Pediatric PRV with the Cholbam™ approval, a gain resulted.

The acquisition was accounted for under the purchase method of accounting in accordance with ASC 805. The fair value of assets acquired and liabilities assumed was based upon a preliminary valuation and the Company's estimates and assumptions are subject to change within the measurement period. Critical estimates in valuing certain intangible assets include but are not limited to future expected cash flows from acquired product rights-Cholbam™, Pediatric PRV, trade names and developed technologies, present value and discount rates. Management's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. Management's valuation is preliminary. Once the valuation is complete, the Company will make any necessary adjustments.

The purchase price allocation of $91.5 million as of the Asklepion closing date of March 31, 2015 was as follows:

	Amount (in thousands)
Cash paid upon consummation	$ 33,429
Present value of contingent consideration	42,209
Fair Value of 661,279 Shares issued to Asklepion	15,844
Total Purchase Price	$ 91,482
Fair Value of Assets Acquired	
Acquired product rights-Cholbam™ (Intangible Asset)	$ 82,915
Pediatric Priority Review Voucher	96,250
Inventory	777
Total Allocation of Purchase Price	$ 179,942
Bargain Purchase Gain	(88,460)
Total Purchase Price	$ 91,482

The bargain purchase gain of $88.5 million is shown net of tax of $39.9 million for a net gain of $48.6 million on the consolidated statements of operations.

Unaudited pro forma information for the transaction completed in the current quarter is not presented, because the effects of such transaction is considered immaterial to the Company.

NOTE 6. MARKETABLE SECURITIES

The Company measures marketable securities on a recurring basis. Generally, the types of securities the Company invests in are traded on a market such as the NASDAQ Global Market, which the Company considers to be Level 1 inputs.

Marketable securities at March 31, 2015 consisted of the following:

	Cost	Unrealized Gains	Estimated Fair Value
Marketable securities available-for-sale	$ 5,095,807	$ 1,064,155	$ 6,159,962

Marketable securities at December 31, 2014 consisted of the following:

	Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Marketable securities available-for-sale	$ 5,160,558	$ 4,498,730	$ (103,190)	$ 9,556,098

NOTE 7. DERIVATIVE FINANCIAL INSTRUMENTS

The Company accounts for derivative financial instruments in accordance with ASC 815-40, *Derivative and Hedging – Contracts in Entity's Own Equity* ("ASC 815-40"), pursuant to which instruments which do not have fixed settlement provisions are deemed to be derivative instruments. The Company's warrants are classified as liability instruments due to an anti-dilution provision that provides for a reduction to the exercise price of the warrants if the Company issues additional equity or equity linked instruments in the future at an effective price per share less than the exercise price then in effect.

The warrants are re-measured at each balance sheet date based on estimated fair value. Changes in estimated fair value are recorded as non-cash valuation adjustments within other income (expenses) in the Company's accompanying consolidated statements of operations. The Company recorded a loss on a change in the estimated fair value of warrants of $36.8 million and $53.6 million during the three months ended March 31, 2015 and 2014, respectively.

The Company calculated the fair value of the warrants using the Monte Carlo Simulation as of March 31, 2015 and the Binomial Lattice options pricing model as of December 31, 2014, and the assumptions are as follows:

	March 31, 2015	December 31, 2014
Fair value of common stock	$ 23.96	$ 12.24
Expected life (in years), represents the weighted average period until next liquidity event	5 years	.33 years
Risk-free interest rate	.86% – 1.32%	1.13-1.69%
Expected volatility	85-90%	85%
Dividend yield	0.00%	0.00%

Expected volatility is based on analysis of the Company's volatility, as well as the volatilities of guideline companies. The risk free interest rate is based on the U.S. Treasury security rates for the remaining term of the warrants at the measurement date.

NOTE 8. FAIR VALUE MEASUREMENTS

Financial Instruments and Fair Value

The Company accounts for financial instruments in accordance with ASC 820, *Fair Value Measurements and Disclosures* ("ASC 820"). ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 – Quoted prices in markets that are not active or financial instruments for which all significant inputs are observable, either directly or indirectly; and

Level 3 – Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

In estimating the fair value of the Company's marketable securities available-for-sale, the Company used quoted prices in active markets.

In estimating the fair value of the Company's derivative liabilities, the Company used the Monte Carlo Simulation as of March 31, 2015 and the Binomial Lattice options pricing model as of December 31, 2014. Based on the fair value hierarchy, the Company classified the derivative liability within Level 3.

In estimating the fair value of the Company's contingent consideration, the Company used the comparable uncontrolled transaction ("CUT") method for royalty payments based on projected revenues. Based on the fair value hierarchy, the Company classified contingent consideration within Level 3 because valuation inputs are based on projected revenues discounted to a present value.

Financial instruments with carrying values approximating fair value include cash, accounts receivable, deposits on license agreements, and accounts payable, convertible notes payable and credit facility. Factors that we considered when estimating the fair value of our debt include market conditions, prepayment and make-whole provisions, variability in pricing from multiple lenders and term of debt.

The following table presents the Company's assets and liabilities that are measured and recognized at fair value on a recurring basis classified under the appropriate level of the fair value hierarchy as of March 31, 2015:

	As of March 31, 2015	Fair Value Hierarchy at March 31, 2015		
	Total carrying and estimated fair value	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Asset:				
Marketable securities, available-for-sale	$ 6,159,962	$ 6,159,962	$ -	$ -
Liabilities:				
Derivative liability related to warrants	$ 63,390,000	$ -	$ -	$ 63,390,000
Acquisition-related contingent consideration	$ 51,599,287	$ -	$ -	$ 51,599,287

The following table presents the Company's asset and liabilities that are measured and recognized at fair value on a recurring basis classified under the appropriate level of the fair value hierarchy as of December 31, 2014:

	As of December 31, 2014	Fair Value Hierarchy at December 31, 2014		
	Total carrying and estimated fair value	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Asset:				
Marketable securities, available-for-sale	$ 9,556,098	$ 9,556,098	$ -	$ -
Liabilities:				
Derivative liability related to warrants	$ 27,990,000	$ -	$ -	$ 27,990,000
Acquisition-related contingent consideration	$ 11,637,227	$ -	$ -	$ 11,637,227

The following table sets forth a summary of changes in the estimated fair value of the Company's derivative financial instruments, warrants liability for the period from January 1, 2015 through March 31, 2015:

	Fair Value Measurements of Common Stock Warrants Using Significant Unobservable Inputs (Level 3)
Balance at January 1, 2015	$ 27,990,000
Reclassification of derivative liability to equity upon exercise of warrants	(2,402,960)
Issuance of warrants	1,050,000
Change in estimated fair value of liability classified warrants	36,752,960
Balance at March 31, 2015	$ 63,390,000

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. At each reporting period, the Company performs a detailed analysis of the assets and liabilities that are subject to ASC 820.

The following table sets forth a summary of changes in the estimated acquisition-related contingent consideration for the period from January 1, 2015 through March 31, 2015:

	Fair Value Measurements of Acquisition-Related Contingent Consideration
Balance at January 1, 2015	$ 11,637,227
Present value of contingent consideration of Cholbam™, upon acquisition	42,209,446
Decrease of contingent consideration, asset divestiture	(603,663)
Contractual Payments	(1,643,723)
Balance at March 31, 2015	$ 51,599,287

NOTE 9. INTANGIBLE ASSETS

As of March 31, 2015, the net book value of amortizable intangible assets was approximately $169.8 million. Amortization expense recorded as research and development expenses amounted to $0.2 million and $0.1 million for the three months ended March 31, 2015 and March 31, 2014, respectively. Amortization expense recorded as general and administrative expenses amounted to $1.5 million and $0 for the three months ended March 31, 2015 and March 31, 2014, respectively.

Amortizable intangible assets as of March 31, 2015 consisted of the following:

	March 31, 2015		
	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Acquired product rights-Cholbam™	$ 82,915,120	$ -	$ 82,915,120
Product Rights-Chenodal®	67,849,000	(4,295,710)	63,553,290
Thiola® License	17,546,681	(1,262,809)	16,283,872
Carbetocin Assets	5,567,736	(570,568)	4,997,168
Ligand License	2,300,000	(576,533)	1,723,467
Customer Relationships	403,000	(40,819)	362,181
Trade Name	175,000	(175,000)	-
Total	$ 176,756,537	$ (6,921,439)	$ 169,835,098

Amortizable intangible assets as of December 31, 2014 consisted of the following:

	December 31, 2014		
	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Product Rights-Chenodal®	$ 71,372,000	$ (3,419,603)	$ 67,952,397
Thiola® License	15,049,648	(870,607)	14,179,041
Syntocinon License	5,000,000	(190,437)	4,809,563
Carbetocin Assets	5,567,736	(429,493)	5,138,243
Ligand License	2,300,000	(526,578)	1,773,422
Customer Relationships	403,000	(30,890)	372,110
Trade Name	175,000	(134,246)	40,754
Total	$ 99,867,384	$ (5,601,854)	$ 94,265,530

NOTE 10. NOTES PAYABLE

Convertible Notes Payable

On May 29, 2014, the Company entered into a Note Purchase Agreement relating to a private placement by the Company of $46.0 million aggregate principal senior convertible notes due 2019 (the "Notes") which are convertible into shares of the Company's common stock at an initial conversion price of $17.41 per share. The conversion price is subject to customary anti-dilution protection. The Notes bear interest at a rate of 4.5% per annum, payable semiannually in arrears on May 15 and November 15 of each year. The Notes mature on May 30, 2019 unless earlier converted or repurchased in accordance with the terms. At March 31, 2015 and December 31, 2014, the aggregate carrying value of the Notes was $43.4 million and $43.3, respectively, which bore a weighted average annual interest rate of 4.5% during the three months ended March 31, 2015 and December 31, 2014, respectively.

Credit Facility

On June 30, 2014, the Company entered into a $45 million Credit Agreement ("Credit Facility") which matures on June 30, 2018 and bears interest at an annual rate of (i) the Adjusted LIBOR Rate (as such term is defined in the Credit Facility) plus 10.00% or (ii) in certain circumstances, the Base Rate (as such term is defined in the Credit Agreement) plus 9.00% and is payable quarterly. The Credit Facility contains certain financial and non-financial covenants. The Company was in compliance with all of its debt covenants as of March 31, 2015.

At December 31, 2014, the Company reclassified the note payable to short term due to its inability to meet debt covenant requirements related to its cash balances over the next twelve months. On March 24, 2015, the Company received $140.0 million in proceeds from its equity financing, therefore, the Company expects to have the ability to meet future covenant requirements and therefore reclassified the debt back to long term.

On January 12, 2015, the Company entered into Amendment No. 3 ("Amendment No. 3") to the Credit Facility in which the Company obtained a commitment letter from Athyrium Capital Management, LLC and Perceptive Credit Opportunities Fund, LP (collectively, the "Lenders"), the Company's existing lenders, providing a commitment for a senior secured incremental term loan under the Company's existing term loan facility in an aggregate principal amount of $30.0 million, which could be drawn down at the Company's option to finance the acquisition of the Cholbam™ assets from Asklepion.

As consideration for Amendment No. 3, the Company made a $0.6 million cash payment to the Lenders, recorded in finance expense in the consolidated statements of operations, and issued the Lenders warrants initially exercisable to purchase up to an aggregate of 125,000 shares of the Company's common stock which were valued at $1.1 million on January 12, 2015 and are recorded in interest expense in the consolidated statements of operations. Due to the closing of the public offering on March 24, 2015, the Company received cash proceeds of $140.0 million, after deducting underwriting fees and other offering costs, which the Company used to make the $27.0 million payment due to Asklepion upon the closing of the Company's acquisition of the Cholbam™ assets, and as a result, the Company did not utilize the commitment from the lenders.

On March 24, 2015, the Company entered into Amendment No. 4 to the Credit Facility, which amended the Credit Facility to make certain changes to the definition of "change of control" contained therein.

At March 31, 2015 and December 31, 2014, the aggregate carrying value of the Credit Facility was $40.8 million and $40.5, respectively, which bore a weighted average annual interest rate of 11.0% during the three months ended March 31, 2015 and December 31, 2014, respectively.

Total interest income (expense), net, recognized was $3.8 million expense and $536 income for the three months ended March 31, 2015 and 2014, respectively.

Debt Maturities

The stated maturities of the Company's long-term debt are as follows (in millions) as of March 31, 2015:

2015	$ -
2016	-
2017	-
2018	45
2019	46
Thereafter	-
	$ 91

NOTE 11. INCOME (LOSS) PER SHARE

Basic and diluted net income (loss) per share is calculated as follows:

	Three Months Ended			
	March 31, 2015		March 31, 2014	
	Shares	EPS	Shares	EPS
Basic Earnings per Share	27,157,883	$ 1.46	23,334,967	$ (3.25)
Employee Stock Options	368,962			
Convertible Debt	2,642,160			
Restricted Common Stock	211,688			
Diluted Earnings per Share	30,380,694	$ 1.32	23,334,967	$ (3.25)

Basic net income (loss) per share is based on the weighted average number of common and common equivalent shares outstanding.

At March 31, 2015, warrants and portions of unvested employee stock options were excluded from the calculation because they were anti-dilutive. At March 31, 2014, common stock options, restricted stock units, and warrants were excluded from the calculation because they were anti-dilutive.

NOTE 12. COMMITMENTS AND CONTINGENCIES

Leases and Sublease Agreements

On October 1, 2013, the Company entered into building lease for office space located at One Kendall Square in Cambridge, Massachusetts. In August 2014, Retrophin ceased use of the facility at One Kendall Square and all employees formerly located at this facility moved into the new facility on Binney Street, Cambridge, Massachusetts. In March 2015, the Company entered into a termination agreement with the landlord and paid an $80,000 lease termination fee.

On February 28, 2014, the Company amended its lease agreement for its offices located in Carlsbad, California. In October 2014, Retrophin ceased use of this facility, and all employees formerly located at that facility moved into the new headquarters facility in San Diego, California. In March 2015, the Company entered into an agreement to sublease the Carlsbad California lease for a three year term with an annual rent of approximately $56,000 annually with annual rent escalations.

Research Collaboration and Licensing Agreements

As part of the Company's research and development efforts, the Company enters into research collaboration and licensing agreements with unrelated companies, scientific collaborators, universities, and consultants. These agreements contain varying terms and provisions which include fees and milestones to be paid by the Company, services to be provided, and ownership rights to certain proprietary technology developed under the agreements. Some of these agreements contain provisions which require the Company to pay royalties, in the event the Company sells or licenses any proprietary products developed under the respective agreements.

Contractual Commitments

The following table summarizes our principal contractual commitments, excluding open orders that support normal operations, as of March 31, 2015:

	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Operating Leases	$ 2,339,386	$ 1,019,627	$ 1,319,759	$ -	$ -
Other commitments	3,073,575	436,980	1,273,440	1,363,155	-
	$ 5,412,961	$ 1,456,607	$ 2,593,199	$ 1,363,155	$ -

Legal Proceedings

On March 28, 2013, Chun Yi Huang ("Huang") sued the Company, MSMB Group, MSMB Capital Management, LLC, Retrophin Pharmaceutical, Inc., Marek Biestek, and Martin Shkreli in state court in New York (Huang v. MSMB Group, Index No. 152829-2013). Huang claims that he is owed past due salary and benefits totaling $36,387. The Company answered the complaint in April 2013, and the parties have since been engaged in discovery. In June 2014, Huang's counsel filed a motion seeking to be relieved as counsel for Huang. The Court denied that motion in October 2014. In September 2014, Huang noticed an appeal of a discovery order, which was withdrawn on February 25, 2015.

On June 13, 2014, Charles Schwab & Co., Inc. ("Schwab") sued the Company, Standard Registrar and Transfer Company ("Standard"), Jackson Su ("Su"), and Huang in federal court in the Southern District of New York (Charles Schwab & Co. v. Retrophin, Inc., Case No. 14-cv-4294). The complaint alleges that the defendants misled Schwab in connection with its sale of Company stock owned by Su and Huang. Schwab contends that Su and Huang improperly advised it that their Company stock was not restricted. Schwab's claim against the Company is based on an agency theory. Schwab contends that it has incurred in excess of $2.5 million in damages as a result of the alleged misinformation. Su and Huang have asserted cross-claims against the Company and Standard for alleged negligent misrepresentation premised upon an alleged failure to inform them of restrictions on the sale of their Company stock. Su and Huang have also impleaded Katten Muchin Rosenman LLP as a third-party defendant. The Company has filed motions to dismiss Schwab's claims, as well as Su's and Huang's cross claims. Those motions are fully briefed, but have not yet been decided by the court.

On September 19, 2014, a purported shareholder of the Company sued Mr. Shkreli in federal court in the Southern District of New York (Donoghue v. Retrophin, Inc., Case No. 14-cv-7640). The Company is a nominal defendant in this action. The plaintiff seeks, on behalf of the Company, disgorgement of short-swing profits from Mr. Shkreli under section 16(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78(p)(b)). The complaint alleges that, based on trades in the Company's stock between November 2013 and November 2014, Mr. Shkreli realized short-swing profits in excess of $1.75 million, which belong to the Company. In December 2014, Mr. Shkreli filed an answer to the operative complaint, in which he, among other things, admitted to owing the Company over $0.6 million in short-swing profits. The parties are currently engaged in discovery. The Company will record the money to be received from this claim at such time in the future should cash be received by the Company from Shkreli.

On October 20, 2014, a purported shareholder of the Company filed a putative class action complaint in federal court in the Southern District of New York against the Company, Mr. Shkreli, Marc Panoff, and Jeffrey Paley (Kazanchyan v. Retrophin, Inc., Case No. 14-cv-8376). On December 16, 2014, a second, related complaint was filed in the Southern District of New York against the same defendants (Sandler v. Retrophin, Inc., Case No. 14-cv-9915). The complaints assert violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 in connection with defendants' public disclosures during the period from November 13, 2013 through September 30, 2014. In December 2014, plaintiff Kazanchyan filed a motion to appoint lead plaintiff, to approve lead counsel, and to consolidate the two related actions. On February 10, 2015, the Court consolidated the two actions, appointed lead plaintiff, and approved lead counsel. Lead plaintiff's filed a consolidated amended complaint on March 4, 2015. An initial pretrial conference is currently scheduled for June 4, 2015.

On January 7, 2014, the Company sued Questcor Pharmaceuticals, Inc. ("Questcor") in federal court in the Central District of California (Retrophin, Inc. v. Questcor Pharmaceuticals, Inc., Case No. SACV14-00026-JLS). The Company contends that Questcor violated antitrust laws in connection with its acquisition of rights to the drug Synacthen, and seeks injunctive relief and damages. The Company has asserted claims under sections 1 and 2 of the Sherman Act, section 7 of the Clayton Act, California antitrust laws, and California's unfair competition law. In August 2014, the Court denied Questcor's motion to dismiss. The parties are now engaged in discovery. A trial is currently set for March 2016.

In January 2015, the Company received a subpoena relating to a criminal investigation by the U.S. Attorney for the Eastern District of New York. The subpoena requests information regarding, among other things, the Company's relationship with Mr. Shkreli and individuals or entities that had been investors in investment funds previously managed by Mr. Shkreli. The Company has been informed that it is not a target of the U.S. Attorney's investigation, and intends to cooperate with the investigation.

As of March 31, 2015 no accruals for loss contingencies have been recorded since these cases are neither probable nor reasonably estimable. From time to time the Company is involved in legal proceedings arising in the ordinary course of business. The Company believes there is no other litigation pending that could have, individually or in the aggregate, a material adverse effect on its results of operations or financial condition.

NOTE 13. STOCKHOLDERS' EQUITY/DEFICIT

2015 Public Offering

On March 24, 2015, we completed a public offering of 7,866,000 shares of common stock at a price of $19.00 per share. We received net proceeds from the offering of $140.0 million, after deducting underwriting fees and other offering costs of $9.5 million. The shares

of common stock were offered by us pursuant to a shelf registration statement that was declared effective by the SEC on March 13, 2015.

Restricted Shares

The following table summarizes the Company's restricted stock activity during the three months ended March 31, 2015:

	Number of shares	Weighted Average Grant Date Fair Value
Outstanding December 31, 2014	691,668	$ 10.83
Granted	40,000	18.32
Vested	(97,999)	7.95
Forfeited/cancelled	(53,335)	11.47
Outstanding March 31, 2015	580,334	$ 12.07

Stock Options

The following table summarizes information about stock option activity during the three months ended March 31, 2015:

	Shares Underlying Options	Weighted Average Exercise Price
Outstanding at December 31, 2014	4,892,208	$ 10.93
Granted	320,000	14.08
Exercised	(16,525)	12.84
Forfeited/cancelled	(208,125)	12.40
Outstanding at March 31, 2015	4,987,558	$ 10.67

At March 31, 2015, outstanding options to purchase 1.5 million shares were exercisable with a weighted-average exercise price per share of $9.88.

Share Based Compensation

Total employee non-cash stock-based compensation by operating statement classification is as follows for the three months ended March 31, 2015 and 2014:

	Three Months Ended	
	March 31, 2015	March 31, 2014
Selling, General & Administrative-Consultants	$ -	$ 1,525,065
Selling, General & Administrative	3,353,580	1,332,078
Research & Development	2,219,697	547,733
Total	$ 5,573,277	$ 3,404,876

Exercise of Warrants

During the three months ended March 31, 2015, the Company issued 124,334 shares of common stock upon the exercise of warrants for cash, pursuant to which the Company received $0.5 million. The Company reclassified $2.4 million derivative liability as equity for the value of these warrants on the date of exercise. The warrants were revalued immediately prior to exercise and the change in the fair value of the warrants was recorded as other expense in the condensed consolidated financial statements of the Company. The number of warrants outstanding at March 31, 2015 was 3,422,021.

NOTE 14. SALE OF ASSETS

On January 9, 2015, the Company entered into an asset purchase agreement with Turing Pharmaceuticals A.G. ("Turing Pharmaceuticals"), pursuant to which the Company sold Turing Pharmaceuticals its ketamine licenses and assets (the "Assets") for a purchase price of $1.0 million. Turing Pharmaceuticals also assumed all future liabilities related to the Assets.

On February 12, 2015, the Company, its wholly-owned subsidiaries Manchester Pharmaceuticals LLC ("Manchester") and Retrophin Therapeutics International, LLC (collectively, the "Sellers"), entered into a purchase agreement with Waldun Pharmaceuticals, LLC ("Waldun"), pursuant to which the Sellers sold Waldun their product rights to Vecamyl for a purchase price of $0.7 million. Waldun in turn sold Vecamyl to Turing Pharmaceuticals. In connection therewith, on February 12, 2015, the Company and Manchester entered into an asset purchase agreement with Turing Pharmaceuticals, pursuant to which the Company and Manchester sold Turing Pharmaceuticals their Vecamyl inventory for a purchase price of $0.3 million. Turing Pharmaceuticals also assumed certain liabilities related to the Vecamyl product rights and inventory.

On February 12, 2015, the Company entered into an asset purchase agreement with Turing Pharmaceuticals, pursuant to which the Company sold Turing Pharmaceuticals its Syntocinon licenses and assets, including related inventory, for a purchase price of $1.1 million. Turing Pharmaceuticals assumed certain liabilities related to the Syntocinon assets and licenses.

In conjunction with the sale of the Vecamyl, Syntocinon and ketamine assets, the Company recorded a gain of $0.2 million and wrote off the unamortized book value of the Vecamyl Product Rights Intangible Asset of $3.3 million and Syntocinon License Intangible Asset of $4.8 million.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed consolidated financial statements and related notes included in this Quarterly Report on Form 10-Q and the audited financial statements and notes thereto as of and for the year ended December 31, 2014 and the related Management's Discussion and Analysis of Financial Condition and Results of Operations, both of which are contained in our Annual Report on Form 10-K for the year ended December 31, 2014, filed with the Securities and Exchange Commission (SEC) on March 11, 2015, and amended on March 13, 2015. Past operating results are not necessarily indicative of results that may occur in future periods.

Forward-Looking Statements

The information in this discussion contains forward-looking statements and information within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, which are subject to the "safe harbor" created by those sections. These forward-looking statements include, but are not limited to, statements concerning our strategy, future operations, future financial position, future revenues, projected costs, prospects and plans and objectives of management. The words "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "will," "would" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements that we make. These forward-looking statements involve risks and uncertainties that could cause our actual results to differ materially from those in the forward-looking statements, including, without limitation, the risks set forth in Part II, Item IA, "Risk Factors" in this Quarterly Report on Form 10-Q and in our other filings with the SEC. The forward-looking statements are applicable only as of the date on which they are made, and we do not assume any obligation to update any forward-looking statements.

Overview

We are a fully integrated biopharmaceutical company with approximately 120 employees headquartered in San Diego, California focused on the development, acquisition and commercialization of therapies for the treatment of serious, catastrophic or rare diseases. We regularly evaluate and, where appropriate, act on opportunities to expand our product pipeline through licenses and acquisitions of products in areas that will serve patients with serious, catastrophic or rare diseases and that we believe offer attractive growth characteristics.

We currently sell the following three products:

- Chenodal® is approved in the United States for the treatment of patients suffering from gallstones in whom surgery poses an unacceptable health risk due to disease or advanced age. Chenodal® has been the standard of care for CTX patients for more than three decades and the Company is currently pursuing adding this indication to the label.

- Thiola® is approved in the United States for the prevention of cysteine (kidney) stone formation in patients with severe homozygous cystinuria.

- Cholbam™ is approved in the United States and Europe for the treatment of bile acid synthesis disorders due to single enzyme defects. In the United States it is further indicated for treatment patients with peroxisomal disorders.

On January 9, 2015, the Company entered into an asset purchase agreement with Turing Pharmaceuticals A.G. (“Turing Pharmaceuticals”), a company controlled by the Company’s former CEO, pursuant to which the Company sold Turing Pharmaceuticals its ketamine licenses and assets for a purchase price of $1.0 million. Turing Pharmaceuticals also assumed all future liabilities related to the Assets.

On February 12, 2015, the Company, its wholly-owned subsidiaries Manchester Pharmaceuticals LLC (“Manchester”) and Retrophin Therapeutics International, LLC (collectively, the “Sellers”), entered into a purchase agreement with Waldun Pharmaceuticals, LLC (“Waldun”), pursuant to which the Sellers sold Waldun their product rights to Vecamyl for a purchase price of $0.7 million. Waldun in turn sold Vecamyl to Turing Pharmaceuticals. In connection therewith, on February 12, 2015, the Company and Manchester entered into an asset purchase agreement with Turing Pharmaceuticals, pursuant to which the Company and Manchester sold Turing Pharmaceuticals their Vecamyl inventory for a purchase price of $0.3 million. Turing Pharmaceuticals also assumed certain liabilities related to the Vecamyl product rights and inventory.

On February 12, 2015, the Company entered into an asset purchase agreement with Turing Pharmaceuticals, pursuant to which the Company sold Turing Pharmaceuticals its Syntocinon licenses and assets, including related inventory, for a purchase price of $1.1 million. Turing Pharmaceuticals also assumed certain liabilities related to the Syntocinon assets and licenses.

We held a Special Meeting of Stockholders on February 3, 2015, at which our stockholders voted to approve a proposal ratifying the prior issuance of stock options to purchase 1,928,000 shares of common stock and 230,000 restricted shares of common stock granted to employees between February 24, 2014 and August 18, 2014 (the “Ratified Equity Grants”). Our Form 10-Q for the three months ended March 31, 2014 contained errors related to the non-cash compensation expense recognized in connection with the Ratified Equity Grants, because the grant/measurement date of the Ratified Equity Grants for financial accounting purposes did not occur until their ratification at the Special Meeting of Stockholders on February 3, 2015. In addition, our Form 10-Q for the three months ended March 31, 2014 contained errors related to certain consulting agreements entered into by the Company, pursuant to which an expense and a settlement liability related to the entire amount of the stock to be issued under such consulting agreements should have been taken and revaluated at each reporting period based on changes in the Company’s stock price, until the stock had been entirely issued. We believe that the errors in the Form 10-Q for the three months ended March 31, 2014 do not cause the financial statements included therein to be misleading, and therefore such financial statements can still be relied upon. However, we have corrected such errors, including any related disclosures, in this Form 10-Q for the three months ended March 31, 2015, and will restate future quarters to correct such errors, as 1applicable. The impact for the three months ended March 31, 2014, was an increase to operating expenses of $5.1 million, and an increase in net loss of $5.1 million.

On March 24, 2015, we completed a public offering of 7,866,000 shares of common stock at a price of $19.00 per share. We received net proceeds from the offering of $140.0 million, after deducting underwriting fees and other offering costs of $9.5 million. The shares of common stock were offered by us pursuant to a shelf registration statement that was declared effective by the SEC on March 13, 2015.

On January 12, 2015, the Company announced the signing of a definitive agreement under which it acquired the exclusive right to purchase from Asklepion, all worldwide rights, titles, and ownership of Cholbam™ (cholic acid) for the treatment of bile acid synthesis defects, if approved by the FDA. Under the terms of the agreement, Retrophin paid Asklepion an upfront payment of $5.0 million and agreed to pay milestones based on FDA approval and net product sales, plus tiered royalties on future net sales of Cholbam™.

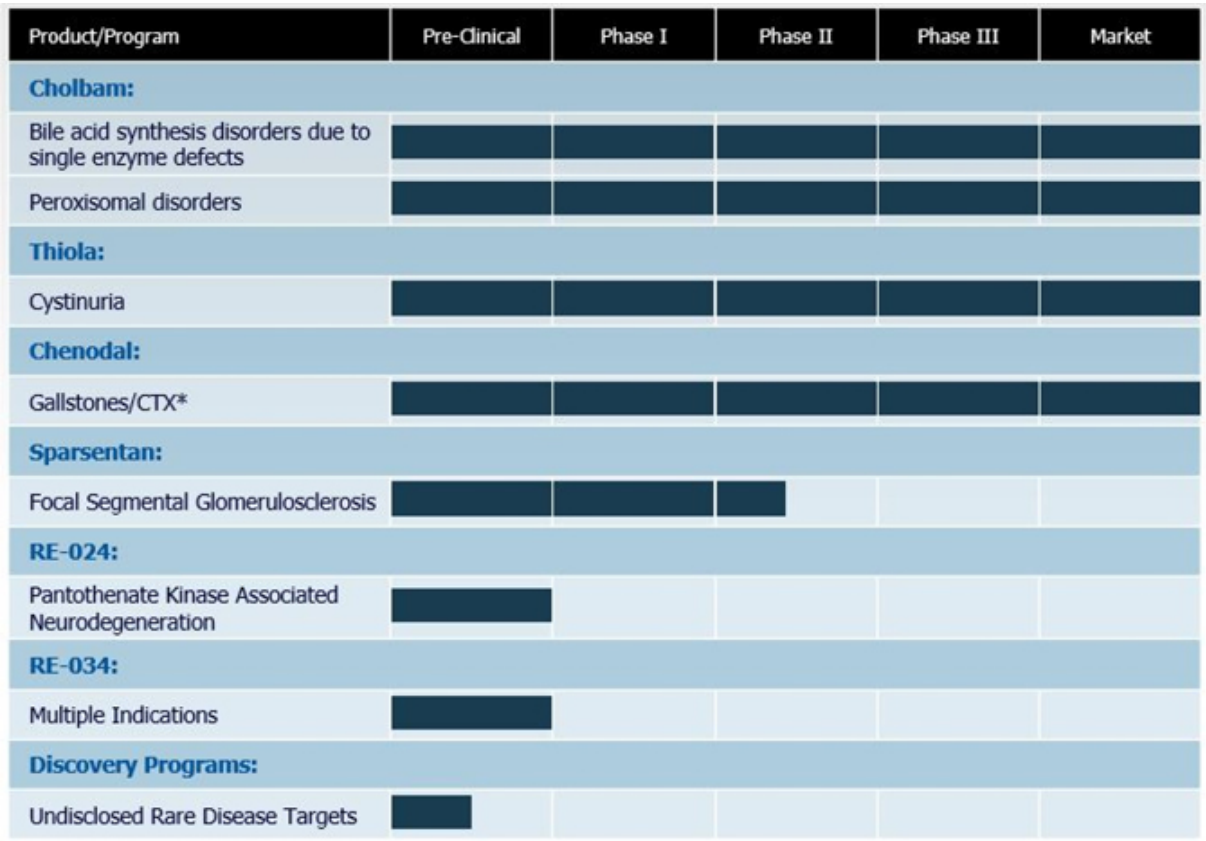
On March 18, 2015, the Company announced that the FDA approved Cholbam™ capsules, the first FDA approved treatment for pediatric and adult patients with bile acid synthesis disorders due to single enzyme defects, and for patients with peroxisomal disorders (including Zellweger spectrum disorders). As a result of the approval, Retrophin exercised its right to purchase from Asklepion all worldwide rights, titles, and ownership of Cholbam™ and related assets. The FDA also granted Asklepion a Rare Pediatric Disease Priority Review Voucher ("Pediatric PRV"), awarded to encourage development of new drugs and biologics for the prevention and treatment of rare pediatric diseases. This Pediatric PRV is transferable and provides the bearer with FDA priority review classification for a new drug application. The Pediatric PRV was transferred to Retrophin under the original terms of the agreement with Asklepion. The Pediatric PRV is classified as a current asset in the condensed consolidated balance sheet as the company intends to sell the Pediatric PRV in 2015, and is currently in negotiations.

On March 31, 2015, the Company completed its acquisition from Asklepion of all worldwide rights, titles and ownership of Cholbam™, including all related contracts, data assets, intellectual property, regulatory assets and the Pediatric PRV, in exchange for a one-time cash payment of $28.4 million, in addition to approximately 661,279 shares of the Company’s common stock (initially valued at $9 million at the time of the Purchase Agreement, and $15.8 million at the time of acquisition completion date). The Company may also be required to pay contingent consideration consisting of milestones and tiered royalties with a present value of $42.2 million.

Products and Research and Development Programs

Changes to Product and Research and Development Programs

In conjunction with the sale of the Company's Vecamyl, Syntocinon and ketamine licenses to Turing Pharmaceuticals, the Company has stopped future investment in these products.



* Chenodal is not currently indicated for CTX but is the standard of care for that disease.

Cholbam™

On March 18, 2015, the Company announced that the U.S. Food and Drug Administration (FDA) approved Cholbam™ capsules, the first FDA approved treatment for pediatric and adult patients with bile acid synthesis disorders due to single enzyme defects, and for patients with peroxisomal disorders (including Zellweger spectrum disorders). The effectiveness of Cholbam™ has been demonstrated in clinical trials for bile acid synthesis disorders and the adjunctive treatment of peroxisomal disorders. There are approximately 30 patients currently receiving Cholbam™ through an open label extension of these trials. The estimated incidence of bile acid synthesis disorders due to single enzyme defects is 1 to 9 per million live births. Peroxisomal disorders are believed to affect approximately 1 in 50,000 live births.

Thiola® (Tiopronin)

Thiola® is approved by the FDA for the treatment of cystinuria, a rare genetic cystine transport disorder that causes high cystine levels in the urine and the formation of recurring kidney stones. The resulting long-term damage can cause long term kidney damage in addition to substantial pain and loss of productivity associated with renal colic and stone passage. The worldwide prevalence of the disease is believed to be one in 7,000. We have built a salesforce to promote Thiola® to targeted physicians and are exploring alternative formulations that may enhance the value of Thiola® for patients with cystinuria.

Chenodal® (chenodiol tablets)

Chenodal® is a synthetic oral form of chenodeoxycholic acid, a naturally occurring primary bile acid synthesized from cholesterol in the liver, indicated for the treatment of radiolucent stones in well-opacifying gallbladders in whom selective surgery would be undertaken except for the presence of increased surgical risk due to systemic disease or age. Discussions with the FDA have been initiated to determine the path for revising the Chenodal® label to include CTX, a rare genetic disease which causes multiple symptoms including neurologic impairment. Chenodeoxycholic acid has been utilized as the standard of care for CTX patients for several decades.

Sparsentan

Sparsentan, also known as RE-021, is an investigational therapeutic agent which acts as both a potent angiotensin receptor blocker ("ARB"), as well as a selective endothelin receptor antagonist ("ERA"), with selectivity toward endothelin receptor type A. We are developing Sparsentan as a treatment for FSGS, which is a leading cause of end-stage renal disease. We are currently enrolling patients for the DUET Phase 2 clinical study of Sparsentan for the treatment of FSGS and we expect approximately 100 patients to be enrolled. Based on the robustness of the data obtained in the DUET study, we may be able to support an application for accelerated approval for Sparsentan on the basis of proteinuria as a surrogate endpoint. In the first quarter of 2015, sparsentan was granted orphan drug designation.

RE-024

The Company is developing RE-024, a novel small molecule, as a potential treatment for pantothenate kinase-associated neurodegeneration ("PKAN"). PKAN is a genetic neurodegenerative disorder that is typically diagnosed in the first decade of life. Consequences of PKAN include dystonia, dysarthria, rigidity, retinal degeneration, and severe digestive problems. There are currently no viable treatment options for patients with PKAN. RE-024 is a phosphopantothenate prodrug therapy that aims to restore levels of this key substrate in PKAN patients. Certain ex-US health regulators have approved the initiation of dosing RE-024 in PKAN under physician-initiated studies in accordance with local regulations in their respective countries. The Company filed a U.S. IND for RE-024 in the first quarter of fiscal 2015 to support the initiation of Company-sponsored studies which became effective on April 28, 2015. RE-024 was granted orphan drug designation on May 5, 2015.

RE-034 (Tetracosactide Zinc)

RE-034 is a synthetic hormone analog of the first 24 amino acids of the 39 amino acids contained in ACTH formulated using a novel process by Retrophin. RE-034 exhibits similar physiological actions as endogenous ACTH by binding to melanocortin receptors, resulting in its anti-inflammatory and immunomodulatory effects. Retrophin has successfully formulated and manufactured RE-034 at proof-of-concept scale using a novel formulation process that allows modulation of the release of the active ingredient from the site of administration. Retrophin continues preclinical development of RE-034 to enable multiple strategic options, which may include the initiation of IND-enabling studies in 2015.

Results of Operations

Results of Operations for the Three Month Period Ended March 31, 2015 compared to the Three Month Period Ended March 31, 2014

Net Product Sales: Net product sales were $17.4 million and $27,900 for the three month period ended March 31, 2015 and 2014, respectively. Our first sales were generated in March of 2014 after completing the acquisition of all of the membership interests of Manchester on March 26, 2014 for Chenodal® and Vecamyl®, and entering a license agreement in May 2014 with Mission for the U.S. marketing rights to Thiola®.

Operating Expenses: Our operating expenses for the three month period ended March 31, 2015 were $25.5 million compared to $22.1 million for the three month period ended March 31, 2014, an increase of $3.4 million. The operating expenses increase is attributable to an increase in our cost of goods sold of $0.3 million, and an increase in our research and development expenses of $3.4 million, offset by a decrease in selling general and administrative expenses of $0.3 million. The increase in cost of goods sold is due to the increase in sales for the same period. The increase in R&D expenses reflects the addition of employees and other expenses to support the additional programs in the pipeline in 2015 compared to 2014. In addition, 2015 has expenses related to the DUET Phase II study with active sites that had not commenced as of March 31, 2014. The decrease in selling general and administrative expenses is due to a decrease in professional fees of $8.0 million, offset by increases in compensation of $4.4 million, amortization of intangible assets of $1.5 million, and commercial and general expenses of $1.8 million.

Other Income/Expenses: Other income for the three month period ended March 31, 2015 was $7.7 million compared to other expense of $53.6 million for the three month period ended March 31, 2014 which represents an increase of $61.3 million. The other income/expense change was primarily attributable to the bargain purchase gain of $48.6 million due to the purchase of Cholbam™ and the receipt of a Pediatric PRV from the FDA, a decrease in the change in the fair value of derivative financial instruments of $16.8 million, an increase in the realized gains on the sale of marketable securities of $0.1 million, and an increase of other income of $0.2

million, offset by an increase in interest expense of $3.8 million as the Company entered into a $46 million convertible notes purchase agreement and a $45 million Credit Agreement in the second quarter of 2014, and an increase in finance expense of $0.6 million.

Net Income (Loss): Our net income for the three month period ended March 31, 2015 was $39.7 million compared to a net loss of $75.7 million for the three month period ended March 31, 2014. The change in our net income in 2015 as compared to 2014 of $115.4 million is primarily due to the bargain purchase gain recorded as a result of the Cholbam™ acquisition of $48.6 million, higher revenue of $17.3 million, lower other expense of $12.8 million, and a tax benefit change of $40.1 million, offset by higher operating expenses of $3.4 million, all as discussed above.

Income Tax Benefit (Provision): For the three months ended March 31, 2015 the Company recorded a tax benefit of approximately $40.0 million as opposed to a $0.1 million tax expense for the three months ended March 31, 2014. The benefit (see Note 4) was due to the deferred tax liabilities recorded in the acquisition of Cholbam™ which provided a source of income to reduce the Company's existing valuation allowance.

Liquidity and Capital Resources

On March 24, 2015, we completed a public offering of 7,866,000 shares of common stock at a price of $19.00 per share. We received net proceeds from the offering of $140.0 million, after deducting underwriting fees and other offering costs of $9.5 million.

The shares of common stock were offered by us pursuant to a shelf registration statement declared effective by the SEC on March 13, 2015. The shelf registration statement allowed us to issue shares of our common stock, preferred stock, debt securities and warrants, up to a total aggregate offering price of $125.0 million from time to time in one or more offerings. As of March 31, 2015, we had sold all amounts available under this shelf registration statement.

We believe that our existing capital resources and projected revenues will be sufficient to satisfy our current and projected funding requirements for at least the next 12 months. However, we cannot guarantee that these capital resources and projected revenues will be sufficient to maintain all of our research or development programs and commercialization operations. The amount and timing of expenditures will vary depending upon a number of factors.

We cannot assure you that adequate funding will be available on terms acceptable to us, if at all. Any additional equity financings will be dilutive to our stockholders and any additional debt may involve operating covenants that may restrict our business. If adequate funds are not available through these means, we may be required to curtail our research or development programs and commercialization operations. We cannot assure you that we will successfully generate revenues sufficient to enable us to earn a profit.

Convertible Notes Payable

On May 29, 2014, the Company entered into a Note Purchase Agreement relating to a private placement by the Company of $46.0 million aggregate principal senior convertible notes due 2019 (the "Notes") which are convertible into shares of the Company's common stock at an initial conversion price of $17.41 per share. The conversion price is subject to customary anti-dilution protection. The Notes bear interest at a rate of 4.5% per annum, payable semiannually in arrears on May 15 and November 15 of each year. The Notes mature on May 30, 2019 unless earlier converted or repurchased in accordance with the terms. At March 31, 2015 and December 31, 2014, the aggregate carrying value of the Notes was $43.4 million and $43.3, respectively, which bore a weighted average annual interest rate of 4.5% during the three months ended March 31, 2015 and December 31, 2014, respectively.

Credit Facility

On June 30, 2014, the Company entered into a $45 million Credit Agreement ("Credit Facility") which matures on June 30, 2018 and bears interest at an annual rate of (i) the Adjusted LIBOR Rate (as such term is defined in the Credit Facility) plus 10.00% or (ii) in certain circumstances, the Base Rate (as such term is defined in the Credit Agreement) plus 9.00% and is payable quarterly. The Credit Facility contains certain financial and non-financial covenants. The Company was in compliance with all of its debt covenants as of March 31, 2015.

On January 12, 2015, the Company entered into Amendment No. 3 ("Amendment No. 3") to the Credit Facility in which the Company obtained a commitment letter from Athyrium Capital Management, LLC and Perceptive Credit Opportunities Fund, LP (collectively, the "Lenders"), the Company's existing lenders, providing a commitment for a senior secured incremental term loan under the Company's existing term loan facility in an aggregate principal amount of $30.0 million, which could have been drawn down at the Company's option to finance the acquisition of the Cholbam™ assets from Asklepion.

As consideration for Amendment No. 3, the Company made a $0.6 million cash payment to the Lenders, recorded in financing fees in the consolidated statements of operations, and issued the Lenders warrants initially exercisable to purchase up to an aggregate of 125,000 shares of the Company's common stock which were valued at $1.1 million on January 12, 2015 and are recorded in interest expense in the consolidated statements of operations. Due to the closing of the public offering on March 24, 2015, the Company received cash proceeds of $140.0 million, after deducting underwriting fees and other offering costs, which the Company used to make the $27.0

million payment due to Asklepion upon the closing of the Company's acquisition of the Cholbam™ assets, and as a result, the Company will not draw down on the incremental term loan.

On March 24, 2015, the Company entered into Amendment No. 4 to the Credit Facility, which amended the Credit Facility to make certain changes to the definition of "change of control" contained therein.

At March 31, 2015 and December 31, 2014, the aggregate carrying value of the Credit Facility was $40.8 million and $40.5, respectively, which bore a weighted average annual interest rate of 11.0% during the three months ended March 31, 2015 and December 31, 2014 respectively.

Clinuvel

On July 17, 2014, we made a proposal to the board of directors of Clinuvel Pharmaceuticals Limited ("Clinuvel") to acquire all of the outstanding shares of Clinuvel for either 0.175 shares of common stock of the Company or $2.03 in cash per share for an aggregate purchase price of approximately $89 million. The Company has since abandoned this strategy and plans to liquidate its positions in Clinuvel over time. As of March 31, 2015, we had remaining approximately $6.2 million of the outstanding shares of Clinuvel. Our goal is ultimately to dispose of our equity interest in Clinuvel and use the cash generated from stock sales for working capital purposes. However, these shares may not appreciate in value and, in fact, may decline value. Accordingly, we may not be able to realize gains from our interest in Clinuvel, and any gains that we do realize on the disposition of any of these shares may not be sufficient to offset any other losses we experience.

Cash Flows from Operating Activities

Operating activities used approximately $7.3 million of cash during the three month period ended March 31, 2015 compared $9.8 million for the three month period ended March 31, 2014. The decrease of $2.5 million was the result of a change from net loss to net income quarter over quarter of $108.9 million, primarily driven by a bargain purchase gain of $48.6 million, decreases in non-cash charges of $52.2 million, and a net change in operating assets and liabilities of $5.6 million. Cash used in operations has decreased as we have increased our focus on our operating expenses and reviewed our pipeline which resulted in an overall reduction in operating expenses from March 2014 to March 2015.

Cash Flows from Investing Activities

Cash used in investing activities for the three month period ended March 31, 2015 was $29.9 million compared to $31.1 million for the three month period ended March 31, 2014. The decrease of $1.3 million was the result of an increase in cash paid upon acquisition of $4.2 million, and a decrease in proceeds from sale of marketable securities of $1.3 million, offset by cash received upon divestiture of asset of $3.3 million, a decrease in the purchase of marketable securities of $2.7 million, and a net decrease in cover securities sold, not yet purchased of $0.7 million. The increase in cash paid upon acquisition of $4.2 million is the acquisition of the purchase of Cholbam™ in the first quarter of fiscal 2015 compared to the acquisition of Manchester Pharmaceuticals in the first quarter of 2014.

Cash Flows from Financing Activities

For the three month period ended March 31, 2015, cash provided by financing activities was $139.2 million compared to $38.6 million during the three month period ended March 31, 2014. The increase of $100.6 million was primarily a result of the increase in proceeds of $103.4 million from the $140.0 million March 2015 public offering compared to the $36.8 million January 2014 public offering.

Other Matters

Recently Issued Accounting Pronouncements

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*. While the standard supersedes existing revenue recognition guidance, it closely aligns with current GAAP. Under the new standard, revenue is recognized at the time a good or service is transferred to a customer for the amount of consideration received for that specific good or service. Entities may use a full retrospective approach or report the cumulative effect as of the date of adoption. On April 1, 2015, the FASB proposed deferring the effective date by one year to December 15, 2017 for annual reporting periods beginning after that date. The FASB also proposed permitting early adoption of the standard, but not before the original effective date of December 15, 2016. We are currently evaluating the impact, if any, the adoption of this standard will have on our consolidated financial statements.

In February 2015, the FASB issued ASU No. 2015-02, *Consolidation (Topic 810): Amendments to the Consolidation Analysis.* The new consolidation standard changes the way reporting enterprises evaluate whether (a) they should consolidate limited partnerships and similar entities, (b) fees paid to a decision maker or service provider are variable interests in a variable interest entity ("VIE"), and (c) variable interests in a VIE held by related parties of the reporting enterprise require the reporting enterprise to consolidate the VIE. The guidance is effective for public business entities for annual and interim periods in fiscal years beginning after December 15, 2015.

Early adoption is allowed, including early adoption in an interim period. A reporting entity may apply a modified retrospective approach by recording a cumulative-effect adjustment to equity as of the beginning of the fiscal year of adoption or may apply the amendments retrospectively. The Company is currently assessing the impact of the adoption of this guidance, if any on the consolidated financial statements.

In April 2015, the FASB issued ASU No. 2015-03, *Simplifying the Presentation of Debt Issuance Costs*. This standard amends existing guidance to require the presentation of debt issuance costs in the balance sheet as a deduction from the carrying amount of the related debt liability instead of a deferred charge. It is effective for annual reporting periods beginning after December 15, 2015, but early adoption is permitted. The Company has chosen not to early adopt this standard.

Emerging Growth Company Critical Accounting Policy Disclosure

We qualify as an "emerging growth company" under the Jumpstart Our Business Startups Action of 2012 ("JOBS Act"). Section 107 of the JOBS Act provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. As an emerging growth company, we can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to take advantage of the benefits of this extended transition period.

Off Balance Sheet Transactions

None.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We invest our excess cash primarily in United States Government securities, asset-backed securities, and debt instruments of financial institutions and corporations with investment-grade credit ratings. These instruments have various short-term maturities. We do not utilize derivative financial instruments, derivative commodity instruments, or other market risk sensitive instruments, positions or transactions in any material fashion. Accordingly, we believe that, while the instruments held are subject to changes in the financial standing of the issuer of such securities, we are not subject to any material risks arising from changes in interest rates, foreign currency exchange rates, commodity prices, equity prices or other market changes that affect market risk sensitive investments. Our debt is not subject to significant swings in valuation due to changes in interest rates as interest rates on our debt are fixed. A hypothetical 1% adverse move in interest rates along the entire interest rate yield curve would not materially affect the fair value of our financial instruments that are exposed to changes in interest rates.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of March 31, 2015, an evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer (referred to as our CEO) and our Chief Financial Officer (referred to as our CFO), of the effectiveness of the design and operation of our disclosure controls and procedures. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily is required to apply its judgement in evaluating the cost-benefit relationship of possible controls and procedures. Based on that evaluation, our management, including our CEO and CFO, concluded that our disclosure controls and procedures were not effective at a reasonable level of assurance as of March 31, 2015, however, we are in the process of documenting and testing our internal control over financial reporting in order to report on the effectiveness of our internal controls as of December 31, 2015.

Our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, or misstatement, due to error, if any, with the company have been detected. While we believe that our disclosure controls and procedures and internal control over financial reporting are and have been effective, in light of the foregoing we intend to continue to examine and refine our disclosure controls and procedures and internal control over financial reporting.

An evaluation was also performed under the supervision and with the participation of our management, including our CEO and CFO, of any changes in our internal control over financial reporting that occurred during our last fiscal quarter and that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. That evaluation did not identify any change in our internal control over financial reporting that occurred during our latest fiscal quarter and that has materially affected, or

is reasonably likely to affect, our internal control over financial reporting, except those controls that were added to remediate the material weaknesses disclosed in our 2014 Form 10-K, and also disclosed below.

As of December 31, 2014, we carried out an assessment of the effectiveness of our internal control over financial reporting based on the framework in Internal Control-Integrated Framework (2013), updated and reissued by the Committee of Sponsoring Organizations, or the COSO Framework. Based on our evaluation under the COSO Framework, our management concluded that our internal control over financial reporting was not effective as of December 31, 2014. In connection with the above assessment, Retrophin management identified a material weakness in the control environment relating to a certain member of senior management who did not demonstrate the appropriate level of control consciousness and, therefore, did not demonstrate a positive tone at the top of the organization and did not observe a diligent process relating to the review and approval of contracts. In addition, Retrophin's management also identified a material weakness in the control environment relating to the granting and accounting for equity awards.

During 2014 and 2015, our management has taken the following actions that materially affect, or are reasonably likely to materially affect, our internal control over financial reporting and to remediate the material weaknesses described above.

- We have implemented a new accounting system which allows for us to generate data in a form and format that facilitates the timely analysis of information needed to produce accurate financial reports.
- We have hired additional staff with expertise in applying complex accounting and financial reporting and disclosure rules required under GAAP and SEC reporting regulations.
- We have hired additional staff to assist in segregating duties.
- Effective October 2014, we appointed Gary A. Lyons and Jeffrey Meckler as independent members of the Board of Directors.
- On November 10, 2014, Stephen Aselage became our Chief Executive Officer. Mr. Aselage has more than 30 years of pharmaceutical and biotechnology experience.
- On November 17, 2014, Laura Clague became our Chief Financial Officer. Mrs. Clague has more than 30 years of experience in accounting and finance, and pharmaceutical and biotechnology experience.
- On November 17, 2014, Margaret Valeur-Jensen, Ph.D. became our General Counsel. Ms. Valeur-Jensen has more than 25 years of experience working with public pharmaceutical and biotechnology companies.
- On February 3, 2015, the Company held a Special Meeting of Stockholders at which the Company's stockholders voted to approve a proposal ratifying the prior issuance of stock options to purchase 1,928,000 shares of common stock and 230,000 restricted shares of common stock granted to employees between February 24, 2014 and August 18, 2014. In fiscal 2015, the Company will institute controls over the granting and tracking of stock options.
- Effective March 31, 2015, the Company announced that Timothy Coughlin was appointed as an independent member of the Board of Directors, effective March 31, 2015.
- On April 1, 2015, the Company announced the appointment of Dr. John W. Kozarich to the Board of Directors as an independent director, effective immediately. Retrophin also announced its Board of Directors has named Jeffrey A. Meckler as the Company's next Chairman of the Board of Directors, effective after the annual meeting of stockholders to be held later this year.

As discussed above, we have strengthened our management team and continue to evaluate our controls and processes associated with granting and accounting for equity awards in order to remediate the material weaknesses disclosed in our 2014 10-K.

Changes in Internal Control over Financial Reporting

Other than as discussed above, there have not been any changes in our internal control over financial reporting during the quarter ended March 31, 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

On March 28, 2013, Chun Yi Huang ("Huang") sued the Company, MSMB Group, MSMB Capital Management, LLC, Retrophin Pharmaceutical, Inc., Marek Biestek, and Martin Shkreli in state court in New York (Huang v. MSMB Group, Index No. 152829-2013). Huang claims that he is owed past due salary and benefits totaling $36,387. The Company answered the complaint in April 2013, and the parties have since been engaged in discovery. In June 2014, Huang's counsel filed a motion seeking to be relieved as counsel for

Huang. The Court denied that motion in October 2014. In September 2014, Huang noticed an appeal of a discovery order, which was withdrawn on February 25, 2015.

On June 13, 2014, Charles Schwab & Co., Inc. ("Schwab") sued the Company, Standard Registrar and Transfer Company ("Standard"), Jackson Su ("Su"), and Huang in federal court in the Southern District of New York (Charles Schwab & Co. v. Retrophin, Inc., Case No. 14-cv-4294). The complaint alleges that the defendants misled Schwab in connection with its sale of Company stock owned by Su and Huang. Schwab contends that Su and Huang improperly advised it that their Company stock was not restricted. Schwab's claim against the Company is based on an agency theory. Schwab contends that it has incurred in excess of $2.5 million in damages as a result of the alleged misinformation. Su and Huang have asserted cross-claims against the Company and Standard for alleged negligent misrepresentation premised upon an alleged failure to inform them of restrictions on the sale of their Company stock. Su and Huang have also impleaded Katten Muchin Rosenman LLP as a third-party defendant. The Company has filed motions to dismiss Schwab's claims, as well as Su's and Huang's cross claims. Those motions are fully briefed, but have not yet been decided by the court.

On September 19, 2014, a purported shareholder of the Company sued Mr. Shkreli in federal court in the Southern District of New York (Donoghue v. Retrophin, Inc., Case No. 14-cv-7640). The Company is a nominal defendant in this action. The plaintiff seeks, on behalf of the Company, disgorgement of short-swing profits from Mr. Shkreli under section 16(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78(p)(b)). The complaint alleges that, based on trades in the Company's stock between November 2013 and November 2014, Mr. Shkreli realized short-swing profits in excess of $1.75 million, which belong to the Company. In December 2014, Mr. Shkreli filed an answer to the operative complaint, in which he, among other things, admitted to owing the Company over $0.6 million in short-swing profits. The parties are currently engaged in discovery. The Company will record the money to be received from this claim at such time in the future should cash be received by the Company from Shkreli.

On October 20, 2014, a purported shareholder of the Company filed a putative class action complaint in federal court in the Southern District of New York against the Company, Mr. Shkreli, Marc Panoff, and Jeffrey Paley (Kazanchyan v. Retrophin, Inc., Case No. 14-cv-8376). On December 16, 2014, a second, related complaint was filed in the Southern District of New York against the same defendants (Sandler v. Retrophin, Inc., Case No. 14-cv-9915). The complaints assert violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 in connection with defendants' public disclosures during the period from November 13, 2013 through September 30, 2014. In December 2014, plaintiff Kazanchyan filed a motion to appoint lead plaintiff, to approve lead counsel, and to consolidate the two related actions. On February 10, 2015, the Court consolidated the two actions, appointed lead plaintiff, and approved lead counsel. Lead plaintiff's filed a consolidated amended complaint on March 4, 2015. An initial pretrial conference is currently scheduled for June 4, 2015.

On January 7, 2014, the Company sued Questcor Pharmaceuticals, Inc. ("Questcor") in federal court in the Central District of California (Retrophin, Inc. v. Questcor Pharmaceuticals, Inc., Case No. SACV14-00026-JLS). The Company contends that Questcor violated antitrust laws in connection with its acquisition of rights to the drug Synacthen, and seeks injunctive relief and damages. The Company has asserted claims under sections 1 and 2 of the Sherman Act, section 7 of the Clayton Act, California antitrust laws, and California's unfair competition law. In August 2014, the Court denied Questcor's motion to dismiss. The parties are now engaged in discovery. A trial is currently set for March 2016.

In January 2015, the Company received a subpoena relating to a criminal investigation by the U.S. Attorney for the Eastern District of New York. The subpoena requests information regarding, among other things, the Company's relationship with Mr. Shkreli and individuals or entities that had been investors in investment funds previously managed by Mr. Shkreli. The Company has been informed that it is not a target of the U.S. Attorney's investigation, and intends to cooperate with the investigation.

As of March 31, 2015 no accruals for loss contingencies have been recorded since these cases are neither probable nor reasonably estimable. From time to time the Company is involved in legal proceedings arising in the ordinary course of business. The Company believes there is no other litigation pending that could have, individually or in the aggregate, a material adverse effect on its results of operations or financial condition.

Item 1A. Risk Factors.

The following risk factors do not reflect any material changes to the risk factors set forth in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, other than the revisions to the risk factors set forth below with an asterisk (*) next to the title. The following information sets forth risk factors that could cause our actual results to differ materially from those contained in forward-looking statements we have made in this Quarterly Report on Form 10-Q and those we may make from time to time. If any of the following risks actually occur, our business, operating results, prospects or financial condition could be harmed. Additional risks not presently known to us, or that we currently deem immaterial, may also affect our business operations.

Risks Related to the Development and Commercialization of Our Products and Product Candidates

The commercial success of Chenodal®, Thiola® and Cholbam™ depends on them being considered to be effective drugs with advantages over other therapies.

The commercial success of our products Chenodal®, Thiola® and Cholbam™ depends on them being considered to be effective drugs with certain advantages over other therapies. A number of factors, as discussed in greater detail below, may adversely impact the degree of acceptance of these products, including their efficacy, safety, price and benefits over competing therapies, as well as the reimbursement policies of third-party payers, such as government and private insurance plans.

If unexpected adverse events are reported in connection with the use of any of these products, physician and patient acceptance of the product could deteriorate and the commercial success of such product could be adversely affected. We are required to report to the FDA events associated with our products relating to death or serious injury. Adverse events could result in additional regulatory controls, such as a requirement for costly post-approval clinical studies or revisions to our approved labeling which could limit the indications or patient population for a product or could even lead to the withdrawal of a product from the market.

If physicians, patients and third-party payers do not accept our products, we may be unable to generate significant revenues.

Our drugs may not gain or maintain market acceptance among physicians and patients. Effectively marketing our products and any of our drug candidates, if approved, requires substantial efforts, both prior to launch and after approval. Physicians may elect not to prescribe our drugs, and patients may elect not to request or take them, for a variety of reasons including:

- lower demonstrated efficacy, safety and/or tolerability compared to other drugs;
- prevalence and severity of adverse side-effects;
- lack of cost-effectiveness;
- lack of coverage and adequate reimbursement availability from third-party payers;
- a decision to wait for the approval of other therapies in development that have significant perceived advantages over our drug;
- convenience and ease of administration;
- other potential advantages of alternative treatment methods; and
- ineffective marketing and/or distribution support.

If our drugs fail to achieve or maintain market acceptance, we will not be able to generate significant revenues.

Changes in reimbursement practices of third-party payers could affect the demand for our products and the prices at which they are sold.

Our products are sold to patients whose healthcare costs are met by third-party payers, such as government programs, private insurance plans and managed-care programs. These third-party payers are increasingly attempting to contain healthcare costs by limiting both coverage and the level of reimbursement for medical products and services. Levels of reimbursement, if any, may be decreased in the future, and future healthcare reform legislation, regulations or changes to reimbursement policies of third party payers may otherwise adversely affect the demand for and price levels of our products, which could have a material adverse effect on our sales and profitability.

Economic pressure on state budgets may result in states increasingly seeking to achieve budget savings through mechanisms that limit coverage or payment for our products. State Medicaid programs are increasingly requesting manufacturers to pay supplemental rebates and requiring prior authorization by the state program for use of any drug for which supplemental rebates are not being paid. Managed care organizations continue to seek price discounts and, in some cases, to impose restrictions on the coverage of particular drugs. Government efforts to reduce Medicaid expenses may lead to increased use of managed care organizations by Medicaid programs. This may result in managed care organizations influencing prescription decisions for a larger segment of the population and a corresponding constraint on prices and reimbursement for our products.

We are dependent on third parties to manufacture and distribute our pharmaceutical products who may not fulfill their obligations.

We have no manufacturing capabilities and rely on third party manufacturers who are sole source suppliers for manufacturing of Chenodal® and Thiola®, respectively. In addition, we plan to rely on a third party for manufacturing of Cholbam™. The facilities used by our third party manufacturers must be approved by the FDA. Our dependence on third parties for the manufacture of our products may harm our profit margin on the sale of products and our ability to deliver products on a timely and competitive basis. If our third party manufacturers are unable to manufacture to specifications or in compliance with applicable regulatory requirements, our ability to

commercialize our products will be adversely impacted and could affect our ability to gain market acceptance for our products and negatively impact our revenues.

We currently have no in-house distribution channels for Chenodal®, Thiola® or Cholbam™ and we are dependent on a third-party specialty distributor, Dohmen Life Sciences Services to distribute such products. We rely on this distributor for all of our proceeds from sales of Chenodal®, Thiola® and Cholbam™ in the United States. The outsourcing of our distribution function is complex, and we may experience difficulties that could reduce, delay or stop shipments of such products. If we encounter such distribution problems, and we are unable to quickly enter into a similar agreement with another specialty distributor on substantially similar terms, distribution of Chenodal®, Thiola® and/or Cholbam™ could become disrupted, resulting in lost revenues, provider dissatisfaction, and/or patient dissatisfaction.

The independent clinical investigators and contract research organizations that we rely on to conduct our clinical trials may not be diligent, careful or timely and may make mistakes in the conduct of our trials.

We depend on independent clinical investigators and contract research organizations ("CROs") to conduct our clinical trials under agreements with us. The CROs play a significant role in the conduct of our clinical trials. Failure of the CROs to meet their obligations could adversely affect clinical development of our product candidates. The independent clinical investigators are not our employees and we cannot control the timing or amount of resources they devote to our studies. If their performance is substandard, it could delay or prevent approval of our FDA applications.

****Our clinical trials may fail to demonstrate the safety and efficacy of our product candidates which could prevent or significantly delay their regulatory approval.***

Our efforts to develop certain of our product candidates are at an early stage. Success in preclinical testing and early clinical trials does not ensure that later clinical trials will be successful, and initial results from a clinical trial do not necessarily predict final results. We cannot assure that any future clinical trials of sparsentan, RE-024 and RE-034 will ultimately be successful.

Before obtaining regulatory approval to conduct clinical trials of our product candidates, we must conduct extensive preclinical tests to demonstrate the safety of our product candidates in animals. Preclinical testing is expensive, difficult to design and implement, and can take many years to complete. A failure of one or more of our preclinical studies can occur at any stage of testing. The Company has filed a U.S. IND and plans to initiate a Phase I study for RE-024 in 2015. Although we are currently exploring strategic alternatives for development of RE-034, which could be enabled for a U.S. IND in 2015, we cannot be certain that we will ever file an IND for RE-034.

If we successfully file INDs on our product candidates, we will only obtain regulatory approval to commercialize product candidates if we can demonstrate to the satisfaction of the FDA, or applicable non-United States regulatory authorities, in well-designed and conducted clinical trials, that our product candidates are safe and effective and otherwise meet the appropriate standards required for approval for a particular indication.

There can be no assurance that the DUET Phase 2 clinical study for sparsentan will demonstrate that sparsentan is safe and effective for treating FSGS or that the data will support an application for accelerated approval by the FDA.

Clinical trials can be lengthy, complex and extremely expensive processes with uncertain results. Our product candidates are intended to treat IS, NS, PKAN and FSGS, each of which is a rare disease. Given that these development candidates are in the early stages of required testing, we may not be able to initiate or continue clinical trials if we are unable to locate a sufficient number of eligible patients willing and able to participate in the clinical trials required by the FDA or other non-United States regulatory agencies. For example, our ability to complete the sparsentan Duet study is dependent upon ability to enroll FSGS patients. Our inability to enroll a sufficient number of patients for any of our current or future clinical trials would result in significant delays or may require us to abandon one or more clinical trials altogether. To date, we are not aware of any product to treat PKAN or FSGS that has been approved by the FDA. As a result, we cannot be sure what endpoints the FDA will require us to measure in later-stage clinical trials of our product candidates.

FDA approval for a product requires substantial or extensive preclinical and clinical data and supporting documentation. The approval process may take years and may involve on-going requirements as well as post marketing obligations. FDA approval once obtained, may be withdrawn. If the regulatory approval for Thiola®, Chenodal® and/or Cholbam™ are withdrawn for any reason, it would have a material adverse impact on our sales and profitability. Further, we face risks relating to the postmarking obligations and commercial acceptance of Cholbam™, which was approved by the FDA on March 17, 2015.

We may experience numerous unforeseen events during, or as a result of, preclinical testing and the clinical trial process that could delay or prevent our ability to obtain regulatory approval or commercialize our product candidates, including:

- our preclinical tests or clinical trials may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional preclinical testing or clinical trials or we may abandon projects that we expect to be promising;

- regulators may require us to conduct studies of the long-term effects associated with the use of our product candidates;

- regulators or institutional review boards may not authorize us to commence a clinical trial or conduct a clinical trial at a prospective trial site;

- the FDA or any non-United States regulatory authority may impose conditions on us regarding the scope or design of our clinical trials or may require us to resubmit our clinical trial protocols to institutional review boards for re-inspection due to changes in the regulatory environment;

- the number of patients required for our clinical trials may be larger than we anticipate or participants may drop out of our clinical trials at a higher rate than we anticipate;

- our third-party contractors or clinical investigators may fail to comply with regulatory requirements or fail to meet their contractual obligations to us in a timely manner;

- we might have to suspend or terminate one or more of our clinical trials if we, regulators or institutional review boards determine that the participants are being exposed to unacceptable health risks;

- regulators or institutional review boards may require that we hold, suspend or terminate clinical research for various reasons, including noncompliance with regulatory requirements;

- the cost of our clinical trials may be greater than we anticipate;

- the supply or quality of our product candidates or other materials necessary to conduct our clinical trials may be insufficient or inadequate or we may not be able to reach agreements on acceptable terms with prospective clinical research organizations; and

- the effects of our product candidates may not be the desired effects or may include undesirable side effects or the product candidates may have other unexpected characteristics.

If we are required to conduct additional clinical trials or other testing of our product candidates beyond those that we currently contemplate, if we are unable to successfully complete our clinical trials or other testing, if the results of these trials or tests are not positive or are only modestly positive or if there are safety concerns, we may:

- be delayed in obtaining, or may not be able to obtain, marketing approval for one or more of our product candidates;

- obtain approval for indications that are not as broad as intended or entirely different than those indications for which we sought approval; and

- have the product removed from the market after obtaining marketing approval.

Our product development costs will also increase if we experience delays in testing or approvals. We do not know whether any preclinical tests or clinical trials will be initiated as planned, will need to be restructured or will be completed on schedule, if at all. Significant preclinical or clinical trial delays also could shorten the patent protection period during which we may have the exclusive right to commercialize our product candidates. Such delays could allow our competitors to bring products to market before we do and impair our ability to commercialize our products or product candidates.

Our product candidates may cause undesirable side effects or have other properties that could delay or prevent their regulatory approval or commercialization.

Undesirable side effects caused by our product candidates could interrupt, delay or halt clinical trials and could result in the denial of regulatory approval by the FDA or other regulatory authorities for any or all targeted indications, and in turn prevent us from commercializing our product candidates and generating revenues from their sale.

In addition, if any of our product candidates receive marketing approval and we or others later identify undesirable side effects caused by the product:

- regulatory authorities may require the addition of restrictive labeling statements;
- regulatory authorities may withdraw their approval of the product; and
- we may be required to change the way the product is administered or conduct additional clinical trials.

Any of these events could prevent us from achieving or maintaining market acceptance of the affected product or could substantially increase the costs and expenses of commercializing the product candidate, which in turn could delay or prevent us from generating significant revenues from its sale or adversely affect our reputation.

We face substantial risks related to the commercialization of our product candidates.

We have invested a significant portion of our efforts and financial resources in the acquisition and development of our most advanced product candidates, sparsentan, RE-024 and RE-034. Our ability to generate product revenue from these development stage compounds, which we do not expect will occur for at least the next several years, if ever, may depend heavily on the successful development and commercialization of these product candidates. The successful commercialization of our future product candidates will depend on several factors, including the following:

- obtaining supplies of RE-034 and RE-024, sparsentan and subsequent product candidates for completion of our clinical trials on a timely basis;
- successful completion of pre-clinical and clinical studies;
- obtaining marketing approvals from the FDA and similar regulatory authorities outside the United States;
- establishing commercial-scale manufacturing arrangements with third-party manufacturers whose manufacturing facilities are operated in compliance with cGMP regulations;
- launching commercial sales of the product, whether alone or in collaboration with others;
- acceptance of the product by patients, the medical community and third-party payers;
- competition from other companies;
- successful protection of our intellectual property rights from competing products in the United States and abroad; and
- a continued acceptable safety and efficacy profile of our product candidates following approval.

Companies may not promote drugs for “off-label” uses—that is, uses that are not described in the product’s labeling and that differ from those approved by the FDA or other applicable regulatory agencies. A company that is found to have improperly promoted off-label uses may be subject to significant liability, including civil and administrative remedies as well as criminal sanctions. In addition, management’s attention could be diverted from our business operations and our reputation could be damaged.

****We may not be able to obtain orphan drug exclusivity for our product candidates. If our competitors are able to obtain orphan drug exclusivity for their products that are the same drug as our product candidates, we may not be able to have competing products approved by the applicable regulatory authority for a significant period of time.***

Regulatory authorities in some jurisdictions, including the United States and Europe, may designate drugs for relatively small patient populations as orphan drugs. Although we have obtained orphan designation for Chenodal®, Cholbam™, Kolbam (EU), sparsentan, and RE-024, and expect to seek orphan drug designations from the FDA for RE-034, there can be no assurance that there will be any benefits associated with such designation, or that the FDA will grant orphan status. We also expect to seek drug orphan designation from the European Medicines Agency (the “EMA”), for sparsentan, RE-024 and RE-034. There can be no assurance that we will successfully obtain such designation. If we are unable to secure orphan status in either Europe or the United States it may have a material negative effect on our share price.

Generally, if a product with an orphan drug designation subsequently receives the first marketing approval for the indication for which it has such designation, that product is entitled to a period of marketing exclusivity, which precludes the applicable regulatory authority from approving another marketing application for the same drug for the same indication for that time period. The

applicable period is seven years in the United States and ten years in Europe. Obtaining orphan drug exclusivity for RE-034, RE-024, and sparsentan may be important to the product candidate's success. Even if we obtain orphan drug exclusivity for RE-034 and sparsentan for FSGS, we may not be able to maintain it. For example, if a competitive product that contains the same active moiety and treats the same disease as our product candidate is shown to be clinically superior to our product candidate, any orphan drug exclusivity we have obtained will not block the approval of such competitive product and we may effectively lose what had previously been orphan drug exclusivity. Similarly, if a competitive product that contains the same active moiety and treats the same disease as our product candidate is approved before our product candidate is approved, we may not be able to obtain approval for our product candidate until the expiration of the competitive product's orphan drug exclusivity unless our product candidate is shown to be clinically superior to the competitive product.

Our products may not achieve or maintain expected levels of market acceptance or commercial success.

The success of our products is dependent upon achieving and maintaining market acceptance. Commercializing products is time consuming, expensive and unpredictable. There can be no assurance that we will be able to, either by ourselves or in collaboration with our partners or through our licensees, successfully commercialize new products or gain market acceptance for such products. New product candidates that appear promising in development may fail to reach the market or may have only limited or no commercial success.

Further, the discovery of significant problems with a product similar to one of our products that implicate (or are perceived to implicate) an entire class of products could have an adverse effect on sales of the affected products. Accordingly, new data about our products, or products similar to our products, could negatively impact demand for our products due to real or perceived side effects or uncertainty regarding efficacy and, in some cases, could result in product withdrawal.

Any products that we bring to the market, including sparsentan, RE-024 and RE-034 if they receive marketing approval—may not gain market acceptance by physicians, patients, third-party payers, and others in the medical community. If these products do not achieve an adequate level of acceptance, we may not generate significant product revenue and we may not become profitable. The degree of market acceptance of our product candidates, if approved for commercial sale, will depend on a number of factors, including:

- the prevalence and severity of any side effects, including any limitations or warnings contained in a product's approved labeling;
- the efficacy and potential advantages over alternative treatments;
- the pricing of our product candidates;
- relative convenience and ease of administration;
- the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;
- the strength of marketing and distribution support and timing of market introduction of competitive products;
- publicity concerning our products or competing products and treatments; and
- sufficient third-party insurance coverage or reimbursement.

Even if a potential product displays a favorable efficacy and safety profile in preclinical and clinical trials, market acceptance of the product will not be known until after it is launched. Our efforts to educate patients, the medical community, and third-party payers on the benefits of our product candidates may require significant resources and may never be successful. Such efforts to educate the marketplace may require more resources than are required by the conventional technologies marketed by our competitors.

If the market opportunities for our product candidates are smaller than we believe they are, our revenues may be adversely affected and our business may suffer.

Certain of the diseases that our current and future product candidates are being developed to address, such as IS, NS, PKAN, and FSGS are relatively rare. Our projections of both the number of people who have these diseases, as well as the subset of people with these diseases who have the potential to benefit from treatment with our product candidates, may not be accurate.

Currently, most reported estimates of the prevalence of IS, NS, PKAN and FSGS are based on studies of small subsets of the population of specific geographic areas, which are then extrapolated to estimate the prevalence of the diseases in the broader world population. As new studies are performed the estimated prevalence of these diseases may change. There can be no assurance that the prevalence of IS, NS, PKAN, or FSGS in the study populations accurately reflect the prevalence of these diseases in the broader world population. If our estimates of the prevalence of IS, NS, PKAN, or FSGS or of the number of patients who may benefit from treatment with sparsentan, RE-024 and RE-034 prove to be incorrect, the market opportunities for our product candidates may be smaller than we believe they are, our prospects for generating revenue may be adversely affected and our business may suffer.

We do not currently have patent protection for certain of our product candidates. If we are unable to obtain and maintain protection for the intellectual property relating to our technology and products, the value of our technology and products will be adversely affected.

Our success will depend in large part on our ability to obtain and maintain protection in the United States and other countries for the intellectual property covering, or incorporated into, our technology and products. The patent situation in the field of biotechnology and pharmaceuticals generally is highly uncertain and involves complex legal, technical, scientific and factual questions. We may not be able to obtain additional issued patents relating to our technology or products. Even if issued, patents issued to us or our licensors may be challenged, narrowed, invalidated, held to be unenforceable or circumvented, which could limit our ability to stop competitors from marketing similar products or reduce the term of patent protection we may have for our products. Changes in either patent laws or in interpretations of patent laws in the United States and other countries may diminish the value of our intellectual property or narrow the scope of our patent protection. RE-024 is covered by our U.S. Patent No. 8,673,883, which was granted in 2014 and expires in 2033. In addition, our pending application covering methods of treating PKAN by administering RE-024 has been allowed by the U.S. Patent and Trademark Office. Sparsentan is covered by U.S. Patent No. 6,638,937, to which we have an exclusive license and which expires in 2019. Our RE-034 formulation is covered by a U.S. provisional patent application we filed in February 2015.

We expect that in addition to the protection afforded by our patent filings that we will be able to obtain five years regulatory exclusively via the provisions of the Hatch-Waxman Amendments to the Federal Food, Drug, and Cosmetic Act, or FDC Act, for products we develop based on a new chemical entity not previously approved by the FDA, and up to five years patent term extension (to compensate for regulatory approval delay) for a patent covering such a product.

The degree of future protection for our proprietary rights is uncertain, and we cannot ensure that:

- we or our licensors were the first to make the inventions covered by each of our pending patent applications;
- we or our licensors were the first to file patent applications for these inventions;
- others will not independently develop similar or alternative technologies or duplicate any of our technologies;
- any patents issued to us or our licensors that provide a basis for commercially viable products will provide us with any competitive advantages or will not be challenged by third parties;
- we will develop additional proprietary technologies that are patentable;
- we will file patent applications for new proprietary technologies promptly or at all;
- the claims we make in our patents will be upheld by patent offices in the United States and elsewhere;
- our patents will not expire prior to or shortly after commencing commercialization of a product; and
- the patents of others will not have a negative effect on our ability to do business.

We have negotiated a license agreement for the rights to sparsentan which we are initially using in connection with the treatment of FSGS, from Ligand. Further, this license subjects us to various commercialization, reporting and other obligations. If we were to default on our obligations, we could lose our rights to sparsentan. We cannot be certain when or if we will file for patent protection for different indications for sparsentan, if we would be successful in obtaining these patents, or if we will be able to enforce these patents. If we are unsuccessful in obtaining patents for different uses of sparsentan, we may not be able to stop competitors from marketing sparsentan following expiration of our sparsentan composition of matter patent (i.e. U.S. Patent No. 6,638,937).

Our patents also may not afford us protection against competitors with similar technology. Because patent applications in the United States and many other jurisdictions are typically not published until 18 months after filing, or in some cases not at all, and because

publications of discoveries in the scientific literature often lag behind the actual discoveries, neither we nor our licensors can be certain that we or they were the first to make the inventions claimed in our or their issued patents or pending patent applications, or that we or they were the first to file for protection of the inventions set forth in these patent applications. If a third party has also filed a United States patent application prior to the effective date of the relevant provisions of the America Invests Act (i.e. before March 16, 2013) covering our product candidates or a similar invention, we may have to participate in an adversarial proceeding, known as an interference, declared by the USPTO to determine priority of invention in the United States. The costs of these proceedings could be substantial and it is possible that our efforts could be unsuccessful, resulting in a loss of our United States patent position.

We cannot assure you that third parties will not assert patent or other intellectual property infringement claims against us with respect to technologies used in our products. If patent infringement suits were brought against us, we may be unable to commercialize some of our products which could severely harm our business. Litigation proceedings, even if not successful, may result in substantial costs and harm our business.

Additional competitors could enter the market, including with generic versions of our products, and sales of affected products may decline materially.

Under the Hatch-Waxman Amendments, a pharmaceutical manufacturer may file an abbreviated new drug application, or ANDA, seeking approval of a generic copy of an approved innovator product. Under the Hatch-Waxman Amendments, a manufacturer may also submit an NDA under Section 505(b)(2) that relies on the FDA's prior findings of safety and effectiveness in approving the innovator product. A Section 505(b)(2) NDA may be for a new or improved version of the original innovator product. The Hatch-Waxman Amendments also provide for certain periods of regulatory exclusivity, which preclude FDA approval (or in some circumstances, FDA filing and reviewing) of an ANDA or Section 505(b)(2) NDA. In addition, the FDC Act provides, subject to certain exceptions, a period during which an FDA-approved drug may be afforded orphan drug exclusivity. In addition to the benefits of regulatory exclusivity, an innovator NDA holder may have patents claiming the active ingredient, product formulation or an approved use of the drug, which would be listed with the product in the FDA publication, "Approved Drug Products with Therapeutic Equivalence Evaluations," known as the "Orange Book." If there are patents listed in the Orange Book, a generic or Section 505(b)(2) applicant that seeks to market its product before expiration of the patents must include in the ANDA what is known as a "Paragraph IV certification," challenging the validity or enforceability of, or claiming non-infringement of, the listed patent or patents. Notice of the certification must be given to the innovator, too, and if within 45 days of receiving notice the innovator sues to protect its patents, approval of the ANDA is stayed for 30 months, or as lengthened or shortened by the court.

Chenodal® and Thiola® are subject to immediate competition from generic entrants, as the ANDA and NDA for these drug products have no remaining patent or nonpatent exclusivity.

Use of third parties to manufacture and distribute our product candidates may increase the risk that we will not have sufficient quantities of our product candidates or such quantities at an acceptable cost, and clinical development and commercialization of our product candidates could be delayed, prevented or impaired.

We do not own or operate manufacturing facilities for clinical or commercial production of our products. We have limited personnel with experience in drug manufacturing and we lack the resources and the capabilities to manufacture any of our product candidates on a clinical or commercial scale. We outsource all manufacturing and packaging of our preclinical, clinical, and commercial products to third parties. The manufacture of pharmaceutical products requires significant expertise and capital investment, including the development of advanced manufacturing techniques and process controls. Manufacturers of pharmaceutical products often encounter difficulties in production, particularly in scaling up initial production and in maintaining required quality control. These problems include difficulties with production costs and yields and quality control, including stability of the product candidate.

We do not currently have any agreements with third-party manufacturers for the long-term commercial supply of any of our development stage product candidates. We may be unable to enter into agreements for commercial supply with third-party manufacturers, or may be unable to do so on acceptable terms. Even if we enter into these agreements, the manufacturers of each product candidate will be single source suppliers to us for a significant period of time. Reliance on third-party manufacturers entails risks to which we may not be subject if we manufactured our product candidates or products ourselves, including:

- reliance on the third party for regulatory compliance and quality assurance;
- limitations on supply availability resulting from capacity and scheduling constraints of the third parties;
- impact on our reputation in the marketplace if manufacturers of our products fail to meet the demands of our customers;

- the possible breach of the manufacturing agreement by the third party because of factors beyond our control; and

- the possible termination or nonrenewal of the agreement by the third party, based on its own business priorities, at a time that is costly or inconvenient for us.

The failure of any of our contract manufacturers to maintain high manufacturing standards could result in injury or death of clinical trial participants or patients using products. Such failure could also result in product liability claims, product recalls, product seizures or withdrawals, delays or failures in testing or delivery, cost overruns or other problems that could seriously harm our business or profitability.

Our contract manufacturers will be required to adhere to FDA regulations setting forth cGMP. These regulations cover all aspects of the manufacturing, testing, quality control and recordkeeping relating to our product candidates and any products that we may commercialize. Our manufacturers may not be able to comply with cGMP regulations or similar regulatory requirements outside the United States. Our manufacturers are subject to unannounced inspections by the FDA, state regulators and similar regulators outside the United States. Our failure, or the failure of our third-party manufacturers, to comply with applicable regulations could result in sanctions being imposed on us, including fines, injunctions, civil penalties, failure of regulatory authorities to grant marketing approval of our product candidates, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of product candidates or products, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect regulatory approval and supplies of our product candidates.

Our product and any products that we may develop may compete with other product candidates and products for access to manufacturing facilities. There are a limited number of manufacturers that operate under cGMP regulations and that are both capable of manufacturing for us and willing to do so. If the third parties that we engage to manufacture products for our developmental or commercial products should cease to continue to do so for any reason, we likely would experience interruptions in cash flows and/or delays in advancing our clinical trials while we identify and qualify replacement suppliers, and we may be unable to obtain replacement supplies on terms that are favorable to us. Later relocation to another manufacturer will also require notification, review and other regulatory approvals from the FDA and other regulators and will subject our production to further cost and instability in the availability of our product candidates. In addition, if we are not able to obtain adequate supplies of our product candidates, or the drug substances used to manufacture them, it will be more difficult for us to sell our products and to develop our product candidates. This could greatly reduce our competiveness.

Our current and anticipated future dependence upon others for the manufacture of our product candidates may adversely affect our future profit margins and our ability to develop product candidates and commercialize any products that obtain regulatory approval on a timely and competitive basis.

We face substantial competition, which may result in others discovering, developing or commercializing products before or more successfully than we do. Our operating results will suffer if we fail to compete effectively.

We face competition from pharmaceutical companies in the IS, NS, and FSGS indications and will likely face similar competition in other indications, including PKAN, because competition in the area of pharmaceutical products is intense.

For example, Questcor Pharmaceuticals, Inc.’s product H.P. Acthar Gel is a formula of ACTH that is approved by the FDA for the treatment of IS and NS. In addition, Apo Pharma Inc. and Treat Iron-Related Childhood-Onset Neurodegeneration (“TIRCON”) are sponsoring clinical studies of Deferiprone as a potential treatment for PKAN. Also, we believe that TIRCON is working on a possible treatment for PKAN using pantethine derivatives.

Additionally, there are clinical studies underway evaluating possible treatments for FSGS. For example, Sanofi (Genzyme) is engaged in a Phase 2 clinical study of Fresolimumab to treat FSGS, and Sunnybrook Medical Center has announced plans for a Phase 2 clinical study of Rituxan to treat FSGS. Also, Fibrogen is developing an anti-Connective Tissue Growth Factor (CTGF) antibody as a possible treatment for FSGS.

Several of our competitors have substantially greater financial, research and development, distribution, manufacturing and marketing experience and resources than we do and represent substantial long-term competition for us. Other companies may succeed in developing and marketing products that are more effective and/or less costly than any products that may be developed and marketed by Retrophin, or that are commercially accepted before any of our products. Factors affecting competition in the pharmaceutical and drug industries vary, depending on the extent to which a competitor is able to achieve a competitive advantage based on its proprietary technology and ability to market and sell drugs. If we are able to establish and maintain a significant proprietary position with respect to our products, competition likely will depend primarily on the effectiveness and ease of administration and product compliance as compared to alternative products. The industry in which we compete is characterized by extensive research and development efforts and rapid technological progress. Although we believe that our proprietary position may give us a competitive advantage with respect

to sparsentan and RE-024, new developments are expected to continue and there can be no assurance that discoveries by others will not render such potential products noncompetitive.

Our competitive position also depends on our ability to enter into strategic alliances with one or more large pharmaceutical and contract manufacturing companies, attract and retain qualified personnel, develop effective proprietary products, implement development and marketing plans, obtain patent protection, secure adequate capital resources and successfully sell and market our approved products. There can be no assurance that we will be able to successfully achieve all of the foregoing objectives.

Materials necessary to manufacture our product candidates may not be available on commercially reasonable terms, or at all, which may delay the development and commercialization of our product candidates.

We rely on the manufacturers of our product candidates to purchase from third-party suppliers the materials necessary to produce the compounds for our preclinical and clinical studies and will rely on these other manufacturers for commercial distribution if we obtain marketing approval for any of our product candidates. Suppliers may not sell these materials to our manufacturers at the time we need them or on commercially reasonable terms and all such prices are susceptible to fluctuations in price and availability due to transportation costs, government regulations, price controls, and changes in economic climate or other foreseen circumstances. We do not have any control over the process or timing of the acquisition of these materials by our manufacturers. Moreover, we currently do not have any agreements for the commercial production of these materials. If our manufacturers are unable to obtain these materials for our preclinical and clinical studies, product testing and potential regulatory approval of our product candidates would be delayed, significantly impacting our ability to develop our product candidates. If our manufacturers or we are unable to purchase these materials after regulatory approval has been obtained for our product candidates, the commercial launch of our product candidates would be delayed or there would be a shortage in supply, which would materially affect our ability to generate revenues from the sale of our product candidates.

Any product for which we obtain marketing approval could be subject to restrictions or withdrawal from the market and we may be subject to penalties if we fail to comply with regulatory requirements or if we experience unanticipated problems with our products, when and if any of them are approved.

Any product for which we obtain marketing approval, along with the manufacturing processes and facilities, post-approval clinical data, labeling, advertising and promotional activities for such product, will be subject to continual requirements of and review by the FDA and comparable regulatory authorities. These requirements include submissions of safety and other post-marketing information and reports, registration requirements, cGMP requirements relating to quality control, quality assurance and corresponding maintenance of records and documents, requirements regarding the distribution of samples to physicians and recordkeeping. Even if we obtain regulatory approval of a product, the approval may be subject to limitations on the indicated uses for which the product may be marketed or to the conditions of approval, or contain requirements for costly post-marketing testing and surveillance to monitor the safety or efficacy of the product. We also may be subject to state laws and registration requirements covering the distribution of our products. Later discovery of previously unknown problems with our products, manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may result in actions such as:

- restrictions on such products, manufacturers or manufacturing processes;
- warning letters;
- withdrawal of the products from the market;
- refusal to approve pending applications or supplements to approved applications that we submit;
- voluntary or mandatory recall;
- fines;
- suspension or withdrawal of regulatory approvals or refusal to approve pending applications or supplements to approved applications that we submit;
- refusal to permit the import or export of our products;
- product seizure or detentions;
- injunctions or the imposition of civil or criminal penalties; and

- adverse publicity.

If we, or our suppliers, third-party contractors, clinical investigators or collaborators are slow to adapt, or are unable to adapt, to changes in existing regulatory requirements or adoption of new regulatory requirements or policies, we or our collaborators may lose marketing approval for our products when and if any of them are approved, resulting in decreased revenue from milestones, product sales or royalties.

Any drugs we develop may become subject to unfavorable pricing regulations, third-party reimbursement practices or healthcare reform initiatives, thereby harming our business.

The business and financial condition of healthcare-related businesses will continue to be affected by efforts of governments and third-party payers to contain or reduce the cost of healthcare through various means. In the United States and some foreign jurisdictions, there have been a number of legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay marketing approval for RE-034, RE-024, and sparsentan, or any other product candidate that we develop, restrict or regulate post-approval activities and affect our ability to profitably sell sparsentan, RE-024 and RE-034 or any other product candidate for which we obtain marketing approval.

Legislative and regulatory proposals have been made to expand post-approval requirements and restrict sales and promotional activities for pharmaceutical products. It is not clear whether additional legislative changes will be enacted, or whether the FDA regulations, guidance or interpretations will be changed, or what the impact of such changes on the marketing approvals of any Retrophin products, if any, may be. In addition, increased scrutiny by the U.S. Congress of the FDA's approval process may significantly delay or prevent marketing approval, as well as subject Retrophin to more stringent product labeling and post-marketing testing and other requirements.

For example, in March 2010, President Obama signed into law the Patient Protection and Affordable Care Act and the Health Care Education Reconciliation Act (collectively, the "Health Care Reform Law"), a sweeping law intended to broaden access to health insurance, reduce or constrain the growth of healthcare spending, enhance remedies against fraud and abuse, add new transparency requirements for healthcare and health insurance industries, impose new taxes and fees on the health industry and impose additional health policy reforms. The Health Care Reform Law revised the definition of "average manufacturer price" for reporting purposes, which could increase the amount of Medicaid drug rebates to states. Further, the law imposes a significant annual fee on companies that manufacture or import certain branded prescription drug products. Although it is too early to determine the full effect of the Health Care Reform Law, the law appears likely to continue the pressure on pharmaceutical pricing, especially under the Medicare program, and may also increase regulatory burdens and operating costs.

If we are unable to obtain coverage and adequate reimbursement from governments or third-party payers for any products that we may develop or if we are unable to obtain acceptable prices for those products, our prospects for generating revenue and achieving profitability will suffer.

Our prospects for generating revenue and achieving profitability will depend heavily upon the availability of coverage and adequate reimbursement for the use of our approved product candidates from governmental and other third-party payers, both in the United States and in other markets. Reimbursement by a third-party payer may depend upon a number of factors, including the third-party payer's determination that use of a product is:

- a covered benefit under its health plan;
- safe, effective and medically necessary;
- appropriate for the specific patient;
- cost-effective; and
- neither experimental nor investigational.

Obtaining reimbursement approval for a product from each government or other third-party payer is a time consuming and costly process that could require us to provide supporting scientific, clinical and cost effectiveness data for the use of our products to each payer. We may not be able to provide data sufficient to gain acceptance with respect to reimbursement or we might need to conduct post-marketing studies in order to demonstrate the cost-effectiveness of any future products to such payers' satisfaction. Such studies might require us to commit a significant amount of management time and financial and other resources. Even when a payer determines that a product is eligible for reimbursement, the payer may impose coverage limitations that preclude payment for some uses that are

approved by the FDA or non-United States regulatory authorities. In addition, there is a risk that full reimbursement may not be available for high-priced products. Moreover, eligibility for coverage does not imply that any product will be reimbursed in all cases or at a rate that allows us to make a profit or even cover our costs. Interim payments for new products, if applicable, may also not be sufficient to cover our costs and may not be made permanent. A primary trend in the United States healthcare industry and elsewhere is toward cost containment. We expect recent changes in the Medicare program and increasing emphasis on managed care to continue to put pressure on pharmaceutical product pricing.

Governments outside the United States tend to impose strict price controls and reimbursement approval policies, which may adversely affect our prospects for generating revenue.

In some countries, particularly European Union countries, the pricing of prescription pharmaceuticals is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take considerable time (6 to 12 months or longer) after the receipt of marketing approval for a product. To obtain reimbursement or pricing approval in some countries, we may be required to conduct a clinical trial that compares the cost effectiveness of our product candidate to other available therapies. If reimbursement of our products is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our prospects for generating revenue, if any, could be adversely affected and our business may suffer.

If we are unable to establish sales and marketing capabilities or enter into agreements with third parties to market and sell our product candidates, we may be unable to generate product revenue.

Risks Related to Our Business

We are an early stage corporation. Our limited operating history makes it difficult to evaluate our current business and future prospects, and our profitability in the future is uncertain.

We commenced operations in 2011 and are a new, early stage company. We face the problems, expenses, difficulties, complications and delays, many of which are beyond our control, associated with any business in its early stages and has no operating history on which an evaluation of our prospects can be made. Such prospects should be considered in light of the risks, expenses and difficulties frequently encountered in the establishment of a business in a new industry, characterized by a number of market entrants and intense competition, and in the shift from development to commercialization of new products based on innovative technologies.

We expect to experience significant growth in the number of our employees and the scope of our operations. We began 2014 with 26 employees and ended the year with approximately 110 employees having added sales and marketing, compliance and legal functions in addition to expansion of all functions to support a commercial organization. As of March 31, 2015, we had approximately 120 employees. To manage our anticipated future growth, we must continue to implement and improve our managerial, operational and financial systems, expand our facilities and continue to recruit and train additional qualified personnel. Due to our limited resources, we may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel. The physical expansion of our operations may lead to significant costs and may divert our management and business development resources. Any inability on the part of our management to manage growth could delay the execution of our business plans or disrupt our operations.

Factors that may inhibit our efforts to commercialize our products without strategic partners or licensees include:

- our inability to recruit and retain adequate numbers of effective sales and marketing personnel;
- the inability of sales personnel to obtain access to or persuade adequate numbers of physicians to prescribe our products;
- the lack of complementary products to be offered by our sales personnel, which may put us at a competitive disadvantage against companies with broader product lines;
- unforeseen costs associated with expanding our own sales and marketing team for new products or with entering into a partnering agreement with an independent sales and marketing organization; and
- efforts by our competitors to commercialize competitive products.

Moreover, though we generate revenues from product sales arrangements, we may incur significant operating losses over the next several years. Our ability to achieve profitable operations in the future will depend in large part upon successful in-licensing of products approved by the FDA, selling and manufacturing these products, completing development of our products, obtaining regulatory approvals for these products, and bringing these products to market. The likelihood of the long-term success of our company must be considered in light of the expenses, difficulties and delays frequently encountered in the development and

commercialization of new drug products, competitive factors in the marketplace, as well as the regulatory environment in which we operate.

In addition, as a new business, we may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors.

For the years ending December 31, 2013 and 2014, our management identified internal control deficiencies, which our management believed constituted material weaknesses. Any future material weaknesses or deficiencies in our internal control over financial reporting could harm stockholder and business confidence on our financial reporting, our ability to obtain financing and other aspects of our business.

In connection with the preparation of our audited financial statements for the year ended December 31, 2014 we concluded that a material weakness existed in internal control over financial reporting. Specifically, as of December 31, 2014, our management concluded that the management of and accounting for equity awards and consulting agreements controls were not effective. On February 19, 2015, the Company's board of directors concluded that as a result of the errors related to such consulting agreements, the financial statements contained in the September 30, 2013 third quarter Form 10-Q and the 2013 Form 10-K should no longer be relied upon. The Company has corrected such errors, including any related disclosures, in this Annual Report on Form 10-K, and we will restate these periods in amendments to the September 30, 2013 Third Quarter Form 10-Q and 2013 Form 10-K. The Company believes that the errors related to such consulting agreements in the 2014 Forms 10-Q do not cause the financial statements contained therein to be misleading, and therefore such financial statements can still be relied upon. The Company has corrected such errors, including any related disclosures, in this Annual Report on Form 10-K, and will restate those quarters in future Forms 10-Q.

As of December 31, 2014, we carried out an assessment of the effectiveness of our internal control over financial reporting based on the framework in Internal Control-Integrated Framework (2013), updated and reissued by the Committee of Sponsoring Organizations, or the COSO Framework. Based on our evaluation under the COSO Framework, our management concluded that our internal control over financial reporting was not effective as of December 31, 2014. In connection with the above assessment, Retrophin management identified a material weakness in the control environment relating to a certain member of senior management who did not demonstrate the appropriate level of control consciousness and, therefore, did not demonstrate a positive tone at the top of the organization and did not observe a diligent process relating to the review and approval of contracts. In addition, Retrophin's management also identified a material weakness in the control environment relating to the accounting for equity awards. In the first quarter of 2015 management implemented additional controls to remediate the material weakness disclosed in our Annual Report on Form 10-K for the year ended December 31, 2014 associated with the control environment, including strengthening our management team and implementing additional controls and processes associated with granting and accounting for equity awards.

Additionally, as of December 31, 2013, we had identified certain matters that constituted material weaknesses in our internal controls over financial reporting, including the fact that we (i) have experienced difficulty in generating data in a form and format that facilitates the timely analysis of information needed to produce accurate financial reports, (ii) have experienced difficulty in applying complex accounting and financial reporting and disclosure rules required under GAAP and the SEC reporting regulations, and (iii) have limited segregation of duties. Although we are committed to continuing to improve our internal control processes, and although we will continue to diligently and vigorously review our internal control over financial reporting, any control system, regardless of how well designed, operated and evaluated, can provide only reasonable, not absolute, assurance that its objectives will be met. Management is in the process of taking the steps as outlined in Item 9A to remediate the December 31, 2014 material weaknesses. Therefore, we cannot be certain that, in the future, additional material weaknesses or significant deficiencies will not exist or otherwise be discovered. If our efforts to address the weakness identified are not successful, or if other deficiencies occur, these weaknesses or deficiencies could result in misstatements of our results of operations, restatements of our financial statements, a decline in our stock price and investor confidence or other material effects on our business, reputation, financial condition or liquidity.

We have incurred operating losses since our inception. We expect to incur operating losses for the foreseeable future and may never achieve or maintain profitability.

Management believes that we will continue to incur losses for the immediate future. For the year December 31, 2014, the Company generated revenue and is trying to achieve positive cash flow from operations. The Company expects to finance its cash needs from results of operations and depending on results of operations we may either need additional equity or debt financing, or need to enter into strategic alliances on products in development to sustain our operations until we can achieve profitability and positive cash flows from operating activities, if ever.

At March 31, 2015, we had working capital surplus of approximately $131.4 million. Our accumulated deficit amounted to $142.7 million at March 31, 2015. As of March 31, 2015 and December 31, 2014, our stockholders' equity was $168.6 million and our

stockholders deficit was $37.3 million, respectively. Our net income for the three months ended March 31, 2015 was $39.7 million compared to a net loss of $75.7 million for the three months ended March 31, 2014, primarily due to the bargain purchase gain of $88.5 million. Net cash used in operating activities was $7.3 million for the three months ended March 31, 2015 compared to $9.8 million for the three months ended March 31, 2014. Operations since inception have been funded primarily with the proceeds from equity and debt financings and beginning in March 2014 from revenue from our marketed products. As of March 31, 2015, we had cash, cash equivalents and marketable securities of $126.3 million. We will continue to fund operations from cash on hand, product revenues, and through the similar sources of capital previously described. We can give no assurance that such capital will be available to us on favorable terms or at all. If we are unable to raise additional funds in the future on acceptable terms, or at all, we may be forced to curtail our development activities. In addition we could be forced to delay or discontinue product development, and forego attractive business opportunities. Any additional sources of financing will likely involve the sale of our equity securities, which will have a dilutive effect on our stockholders.

We have devoted substantially all of our efforts to research and development, specifically our preclinical development activities. We have not completed development of any drugs. We expect to continue to incur significant and increasing operating losses for at least the next several quarters and we are unable to predict the extent of any future losses. We anticipate that our expenses will increase substantially as we:

- continue our ongoing preclinical development of RE-034;
- continue our ongoing preclinical development of RE-024 for the treatment of PKAN, and begin Company sponsored clinical trials of RE-024;
- complete Phase 2 clinical development of sparsentan for the treatment of FSGS;
- continue the research and development of additional product candidates;
- seek regulatory approval of RE-034, RE-024, sparsentan, and additional product candidates;
- expand our sales and marketing infrastructure to commercialize Cholbam™ and any new products for which we may obtain regulatory approval; and
- expand operational, financial, and management information systems and personnel, including personnel to support product development efforts and our obligations as a public company.

To become and remain profitable, we must succeed in developing and commercializing drugs with significant market potential. This will require us to be successful in a range of challenging activities, including the discovery of product candidates, successful completion of preclinical testing and clinical trials of our product candidates, obtaining regulatory approval for these product candidates and manufacturing, marketing and selling those products for which we may obtain regulatory approval. We are only in the preliminary stages of these activities. We may not be successful enough in these activities to generate revenues that are substantial enough to achieve profitability. Even if we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. Our failure to become or remain profitable could depress the market price of our common stock and could impair our ability to raise capital, expand our business, diversify our product offerings or continue our operations. A decline in the market price of our common stock may also cause a loss of a part or all of your investment.

We will need substantial additional funding and may be unable to raise capital when needed, which would force us to delay, reduce or eliminate our product development programs or commercialization efforts.

We expect our general, research and development expenses to increase in connection with our ongoing activities, particularly as we complete Phase 2 clinical studies of sparsentan, and as we continue toward Phase 1 clinical studies of RE-024 and RE-034 and for any later-stage clinical trials of our product candidates. In addition, subject to obtaining regulatory approval of any of our product candidates, we expect to incur significant commercialization expenses for product sales and marketing, securing commercial quantities of product from our manufacturers, and product distribution. We currently have no additional commitments or arrangements for any additional financing to fund the research and development and commercial launch of our product candidates.

Management believes the Company’s ability to continue its operations depends on its ability to sustain and grow revenue, results of operations and its ability to access capital markets when necessary to accomplish its strategic objectives. Management believes that we will continue to incur losses for the immediate future. For the year December 31, 2014, the Company has generated revenue and is trying to achieve positive cash flow from operations. The Company expects to finance its cash needs from results of operations and depending on results of operations we may either need additional equity or debt financing, or need to enter into strategic alliances on products in development to sustain our operations until we can achieve profitability and positive cash flows from operating activities, if ever. Additional funds may not be available to us when we need them on terms that are acceptable to us, or at all. If adequate funds are not available to us on a timely basis, we may be required to reduce or eliminate research development programs or commercial efforts.

Our future capital requirements will depend on many factors, including:

- the progress and results of our pre-clinical and clinical studies of sparsentan, RE-024 and RE-034 and other drug candidates;

- the costs, timing and outcome of regulatory review of our product candidates;
- the number and development requirements of other product candidates that we pursue;
- the costs of commercialization activities, including product marketing, sales and distribution;
- the emergence of competing technologies and other adverse market developments;
- the costs of preparing, filing and prosecuting patent applications and maintaining, enforcing and defending intellectual property related claims;
- the extent to which we acquire or invest in businesses, products and technologies; and
- our ability to establish collaborations and obtain milestone, royalty or other payments from any such collaborators.

The market price for shares of our common stock may be volatile and purchasers of our common stock could incur substantial losses.

The price of our stock is likely to be volatile. The stock market in general, and the market for biotechnology companies in particular, have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. The market price for our common stock may be influenced by many factors, including:

- results of clinical trials of our product candidates or those of our competitors;
- our ability to sell, and/or the price at which we are able to sell, our Pediatric PRV;
- our entry into or the loss of a significant collaboration;
- regulatory or legal developments in the United States and other countries, including changes in the health care payment systems;
- variations in our financial results or those of companies that are perceived to be similar to us;
- changes in the structure of healthcare payment systems;
- market conditions in the pharmaceutical and biotechnology sectors and issuance of new or changed securities analysts' reports or recommendations;
- general economic, industry and market conditions;
- results of clinical trials conducted by others on drugs that would compete with our product candidates;
- developments or disputes concerning patents or other proprietary rights;
- public concern over our product candidates or any products approved in the future;
- litigation;
- future sales or anticipated sales of our common stock by us or our stockholders; and
- the other factors described in this "Risk Factors" section.

In addition, the stock markets, and in particular, the NASDAQ Global Market, have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many pharmaceutical companies. Stock prices of many pharmaceutical companies have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. The realization of any of the above risks or any of a broad range of other risks, including those described in these "Risk Factors" could have a dramatic and material adverse impact on the market price of our common stock.

We may be unable to successfully integrate new products or businesses we may acquire.

We intend to expand our product pipeline by pursuing acquisition of pharmaceutical products. If an acquisition is consummated, the integration of the acquired business, product or other assets into our company may also be complex and time- consuming and, if such businesses, products and assets are not successfully integrated, we may not achieve the anticipated benefits, cost-savings or growth opportunities. Potential difficulties that may be encountered in the integration process include the following:

- integrating personnel, operations and systems, while maintaining focus on producing and delivering consistent, high quality products;
- coordinating geographically dispersed organizations;
- distracting employees from operations;
- retaining existing customers and attracting new customers; and
- managing inefficiencies associated with integrating the operations of the Company.

Furthermore, these acquisitions and other arrangements, even if successfully integrated, may fail to further our business strategy as anticipated, expose us to increased competition or challenges with respect to our products or geographic markets, and expose us to additional liabilities associated with an acquired business, product, technology or other asset or arrangement. Any one of these challenges or risks could impair our ability to realize any benefit from our acquisitions or arrangements after we have expended resources on them.

Product liability lawsuits against us could cause us to incur substantial liabilities and to limit commercialization of any products that we may develop.

Our business exposes us to potential liability risks inherent in the research, development, manufacturing and marketing of pharmaceutical products. If any of our product candidates in clinical trials or marketing products harm people we may be subject to costly and damaging product liability claims. We have clinical trial insurance and commercial product liability coverage. However, this insurance may not be adequate to cover all claims. We may be exposed to product liability claims and product recalls, including those which may arise from misuse or malfunction of, or design flaws in, such products, whether or not such problems directly relate to the products and services we have provided. If we cannot successfully defend ourselves against claims that our product candidates or products caused injuries, we will incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in:

- decreased demand for any product candidates or products that we may develop;
- damage to our reputation;
- regulatory investigations that could require costly recalls or product modifications;
- withdrawal of clinical trial participants;
- costs to defend the related litigation;
- substantial monetary awards to trial participants or patients, including awards that substantially exceed our product liability insurance, which we would then be required to pay from other sources, if available, and would damage our ability to obtain liability insurance at reasonable costs, or at all, in the future;
- loss of revenue;
- the diversion of management’s attention from managing our business; and
- the inability to commercialize any products that we may develop.

We have liability insurance policies for our clinical trials in the geographies in which we are conducting trials. The aggregate annual limit of coverage amount under these policies expressed in United States dollars is approximately $5.0 million, and these policies are also subject to per claim deductibles. The amount of insurance that we currently hold may not be adequate to cover all liabilities that we may incur. Insurance coverage is increasingly expensive. We may not be able to maintain insurance coverage at a reasonable cost and we may not be able to obtain insurance coverage that will be adequate to satisfy any liability that may arise. On occasion, large judgments have been awarded in class action lawsuits based on drugs that had unanticipated side effects. A successful product liability claim or a series of claims brought against us could cause our stock price to fall and, if judgments exceed our insurance coverage, could decrease our available cash and adversely affect our business.

We are involved in various litigation matters, any of which could result in substantial costs, divert management's attention and otherwise have a material adverse effect on our business, operating results or financial condition.

We are involved in various litigation matters, each described above in Part II, Item 1 “Legal Proceedings”. Although we intend to vigorously defend any claims for which we have been named as a defendant, there is no guarantee that we will be successful and we may have to pay damages awards or otherwise may enter into settlement arrangements in connection with such claims. Any such payments or settlement arrangements could have material adverse effects on our business, operating results or financial condition. Even if the pending claims are not successful, litigation with respect to such claims could result in substantial costs and significant adverse impact on our reputation and divert management's attention and resources, which could have a material adverse effect on our business, operating results or financial condition. In addition, we are a plaintiff in a pending lawsuit, and we received a subpoena relating to a criminal investigation by the U.S. Attorney for the Eastern District of New York. While we are not named as a defendant or otherwise a target of these proceedings, such proceedings could result in substantial costs and significant adverse impact on our reputation and divert management's attention and resources, which could have a material adverse effect on our business, operating results or financial condition.

We are subject to significant ongoing regulatory obligations and oversight, which may result in significant additional expense and may limit our commercial success.

We are subject to significant ongoing regulatory obligations, such as safety reporting requirements and additional post-marketing obligations, including regulatory oversight of the promotion and marketing of our products. In addition, the manufacture, quality control, labeling, packaging, safety surveillance, adverse event reporting, storage, advertising, promotion and recordkeeping for our products are subject to extensive and ongoing regulatory requirements. If we become aware of previously unknown problems with any of our products, a regulatory agency may impose restrictions on our products, our contract manufacturers or us. If we, our products and product candidates, or the manufacturing facilities for our products and product candidates fail to comply with applicable regulatory requirements, a regulatory agency, including the FDA, may send enforcement letters, mandate labeling changes, suspend or withdraw regulatory approval, suspend any ongoing clinical trials, refuse to approve pending applications or supplements filed by us, suspend or impose restrictions on manufacturing operations, request a recall of, seize or detain a product, seek criminal prosecution or an injunction, or impose civil or criminal penalties or monetary fines. In such instances, we could experience a significant drop in the sales of the affected products, our product revenues and reputation in the marketplace may suffer, and we could become the target of lawsuits.

We are also subject to regulation by regional, national, state and local agencies, including but not limited to the FDA, Centers for Medicare and Medicaid Services, Department of Justice, the Federal Trade Commission, the Office of Inspector General of the U.S. Department of Health and Human Services and other regulatory bodies. The Federal Food, Drug, and Cosmetic Act, Social Security Act, Public Health Service Act and other federal and state statutes and regulations govern to varying degrees the research, development, manufacturing and commercial activities relating to prescription pharmaceutical products, including preclinical testing, clinical research, approval, production, labeling, sale, distribution, post-market surveillance, advertising, dissemination of information, promotion, marketing, and pricing to government purchasers and government health care programs. Our manufacturing partners are subject to many of the same requirements.

The federal health care program anti-kickback statute prohibits, among other things, knowingly and willfully offering, paying, soliciting, or receiving remuneration to induce or in return for purchasing, leasing, ordering or arranging for the purchase, lease or order of any health care item or service reimbursable under Medicare, Medicaid or other federally financed healthcare programs. This statute has been interpreted to apply to arrangements that pharmaceutical companies have with prescribers, purchasers and formulary managers. Further, the Health Care Reform Law, among other things, amends the intent requirement of the federal anti-kickback statute so that a person or entity no longer needs to have actual knowledge of this statute or specific intent to violate it. In addition, the Health Care Reform Law provides that the government may assert that a claim including items or services resulting from a violation of the federal anti-kickback statute constitutes a false or fraudulent claim for purposes of the civil False Claims Act. Although there are a number of statutory exceptions and regulatory safe harbors under the federal anti-kickback statute protecting certain common manufacturer business arrangements and activities from prosecution, the exceptions and safe harbors are drawn narrowly and an arrangement must meet all of the conditions specified in order to be fully protected from scrutiny under the federal anti-kickback statute. We seek to comply with the exceptions and safe harbors whenever possible, but our practices, such as our patient assistance programs and prompt pay discounts with certain customers, may not in all cases meet all of the criteria for protection from anti-kickback liability and may be subject to scrutiny.

The federal false claims laws, including the Federal False Claims Act, prohibit any person or entity from knowingly presenting, or causing to be presented, a false claim for payment to the federal government, or knowingly making, or causing to be made, a false statement to get a false claim paid. Many pharmaceutical and other health care companies have been investigated and have reached substantial financial settlements with the federal government under the Federal False Claims Act for a variety of alleged marketing activities, including providing free product to customers with the expectation that the customers would bill federal programs for the product; providing consulting fees, grants, free travel, and other benefits to physicians to induce them to prescribe the company’s

products; and inflating prices reported to private price publication services, which may be used by states to set drug payment rates under government health care programs. Companies have been prosecuted for causing false claims to be submitted because of the marketing of their products for unapproved uses. Pharmaceutical and other health care companies have also been prosecuted on other legal theories of Medicare and Medicaid fraud.

Additionally, the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, created new federal criminal statutes that prohibit among other actions, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, including private third-party payers, and knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services. Further, the civil monetary penalties statute imposes penalties against any person or entity that, among other things, is determined to have presented or caused to be presented a claim to a federal health program that the person knows or should know is for an item or service that was not provided as claimed or is false or fraudulent.

Many states also have statutes or regulations similar to the federal anti-kickback law and false claims and civil monetary penalties laws, which apply to items and services reimbursed under Medicaid and other state programs, or, in several states, which apply regardless of the payer. Several states now require pharmaceutical companies to report their expenses relating to the marketing and promotion of pharmaceutical products in those states and to report gifts and payments to certain individual health care providers in those states. Some of these states also prohibit certain marketing-related activities, including the provision of gifts, meals, and other items to certain health care providers. In addition, California, Connecticut, Nevada, and Massachusetts require pharmaceutical companies to implement compliance programs or marketing codes.

We also could become subject to government investigations and related subpoenas. Such subpoenas are often associated with previously filed qui tam actions, or lawsuits filed under seal under the Federal False Claims Act. Qui tam actions are brought by private plaintiffs suing on behalf of the federal government for alleged violations of the Federal False Claims Act. The time and expense associated with responding to such subpoenas, and any related qui tam or other actions, may be extensive, and we cannot predict the results of our review of the responsive documents and underlying facts or the results of such actions. Responding to government investigations, defending any claims raised, and any resulting fines, restitution, damages and penalties, settlement payments or administrative actions, as well as any related actions brought by stockholders or other third parties, could have a material impact on our reputation, business and financial condition and divert the attention of our management from operating our business.

The number and complexity of both federal and state laws continues to increase, and additional governmental resources are being added to enforce these laws and to prosecute companies and individuals who are believed to be violating them. In particular, the Health Care Reform Law includes a number of provisions aimed at strengthening the government’s ability to pursue anti-kickback and false claims cases against pharmaceutical manufacturers and other healthcare entities, including substantially increased funding for healthcare fraud enforcement activities, enhanced investigative powers, amendments to the federal False Claims Act that make it easier for the government and whistleblowers to pursue cases for alleged kickback and false claim violations and, for payments made on or after August 1, 2013, public reporting of payments by pharmaceutical manufacturers to physicians and teaching hospitals nationwide. While it is too early to predict the full effect these changes will have on our business, we anticipate that government scrutiny of pharmaceutical sales and marketing practices will continue for the foreseeable future and subject us to the risk of further government investigations and enforcement actions. Responding to a government investigation or enforcement action would be expensive and time-consuming, and could have a material adverse effect on our business, financial condition, results of operations and growth prospects.

In addition, we may be subject to data privacy and security regulation by both the federal government and the states in which we conduct our business. HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, or HITECH, and their respective implementing regulations, imposes specified requirements relating to the privacy, security and transmission of individually identifiable health information.

Additionally, the federal Physician Payments Sunshine Act within the Health Care Reform Law, and its implementing regulations, require that certain manufacturers of drugs, devices, biologicals and medical supplies to report annually information related to certain payments or other transfers of value made or distributed to physicians and teaching hospitals, or to entities or individuals at the request of, or designated on behalf of, the physicians and teaching hospitals and to report annually certain ownership and investment interests held by physicians and their immediate family members. Moreover, the Drug Supply Chain Security Act imposes new obligations on manufacturers of pharmaceutical products related to product tracking and tracing. Legislative and regulatory proposals have been made to expand post-approval requirements and restrict sales and promotional activities for pharmaceutical products. We are not sure whether additional legislative changes will be enacted, or whether the current regulations, guidance or interpretations will be changed, or what the impact of such changes on our business, if any, may be.

If we or any of our partners fail to comply with applicable regulatory requirements, we or they could be subject to a range of regulatory actions that could affect our or our partners' ability to commercialize our products and could harm or prevent sales of the affected products, or could substantially increase the costs and expenses of commercializing and marketing our products. Any threatened

or actual government enforcement action could also generate adverse publicity and require that we devote substantial resources that could otherwise be used in other aspects of our business. Compliance with applicable federal and state laws is difficult and time consuming, and companies that violate them may face substantial penalties. The potential sanctions include criminal fines, civil monetary penalties, administrative penalties, disgorgement, exclusion from participation in federal health care programs, and imprisonment. Because of the breadth of these laws, it is possible that some of our business activities could be subject to challenge under one or more of these laws. Such a challenge, irrespective of the underlying merits of the challenge or the ultimate outcome of the matter, could have a material adverse effect on our business, financial condition, results of operations and growth prospects.

If we are not able to obtain and maintain required regulatory approvals, we will not be able to commercialize our products, and our ability to generate revenue will be materially impaired.

Our product candidates, once approved, and the activities associated with their manufacture, marketing, distribution, and sales are subject to extensive regulation by the FDA and other regulatory agencies in the United States and by comparable authorities in other countries. Failure to adhere to regulations set out by these bodies for one or more of our commercial products could prevent us from commercializing the product candidate in the jurisdiction of the regulatory authority. We have only limited experience in meeting the regulatory requirements incumbent on the sale of drugs in the United States and elsewhere, and expect to rely on third-parties to assist us in these processes. If these third parties fail to adequately adhere to the regulations governing drug distribution and promotion we may be unable to sell our products, which could have a material effect on our ability to generate revenue.

Our product candidates and the activities associated with their development and commercialization, including testing, manufacture, safety, efficacy, recordkeeping, labeling, storage, approval, advertising, promotion, sale and distribution, are subject to comprehensive regulation by the FDA and other regulatory agencies in the United States and by comparable authorities in other countries. Failure to obtain regulatory approval for a product candidate will prevent us from commercializing the product candidate in the jurisdiction of the regulatory authority. We have only limited experience in filing and prosecuting the applications necessary to obtain regulatory approvals and expect to rely on third-party contract research organizations to assist us in this process.

Securing FDA approval requires the submission of extensive preclinical and clinical data and supporting information to the FDA for each therapeutic indication to establish the product candidate's safety and efficacy. Securing FDA approval also requires the submission of information about the product manufacturing process to, and successful inspection of manufacturing facilities by, the FDA. Our future products may not be effective, may be only moderately effective or may prove to have undesirable or unintended side effects, toxicities or other characteristics that may preclude our obtaining regulatory approval or prevent or limit commercial use.

Our product candidates may fail to obtain regulatory approval for many reasons, including:

- our failure to demonstrate to the satisfaction of the FDA or comparable regulatory authorities that a product candidate is safe and effective for a particular indication;
- the results of clinical trials may not meet the level of statistical significance required by the FDA or comparable regulatory authorities for approval;
- our inability to demonstrate that a product candidate's benefits outweigh its risks;
- our inability to demonstrate that the product candidate presents an advantage over existing therapies;
- the FDA's or comparable regulatory authorities' disagreement with the manner in which we interpret the data from preclinical studies or clinical trials;
- failure of the third-party manufacturers with which we contract for clinical or commercial supplies to satisfactorily complete an FDA pre-approval inspection of the facility or facilities at which the product is manufactured to assess compliance with the FDA's cGMP regulations to assure that the facilities, methods and controls are adequate to preserve the drug's identity, strength, quality and purity; and
- a change in the approval policies or regulations of the FDA or comparable regulatory authorities or a change in the laws governing the approval process.

The process of obtaining regulatory approvals is expensive, often takes many years, if approval is obtained at all, and can vary substantially based upon a variety of factors, including the type, complexity and novelty of the product candidates involved. Changes in regulatory approval policies during the development period, changes in or the enactment of additional statutes or regulations, or changes in regulatory review for each submitted product application may cause delays in the approval or rejection of an application. The FDA and non-United States regulatory authorities have substantial discretion in the approval process and may refuse to accept any application or may decide that our data is insufficient for approval and require additional preclinical, clinical or other studies. In addition, varying interpretations of the data obtained from preclinical and clinical testing could delay, limit or prevent regulatory approval of a product

candidate. Any regulatory approval we ultimately obtain may be limited or subject to restrictions or post approval commitments that render the approved product not commercially viable. Any FDA or other regulatory approval of our product candidates, once obtained, may be withdrawn, including for failure to comply with regulatory requirements or if clinical or manufacturing problems follow initial marketing.

Risks Related to our Indebtedness and Investments

Our substantial indebtedness could adversely affect our financial condition.

As of March 31, 2015, we had approximately $84.2 million of total debt outstanding, all classified as long term. The total debt outstanding as of March 31, 2015 consists of the $45 million Credit Agreement dated June 30, 2014 ("Credit Facility") as amended July 16, 2014, November 13, 2014, January 12, 2015 and March 25, 2015, and the Note Purchase Agreement dated May 29, 2014 relating to the private placement of $46.0 million aggregate senior secured notes (the "Notes"). As a result of our substantial indebtedness, a significant portion of our cash flow will be required to pay interest and principal on our Note Payable and interest and principal on the Notes if the Notes are not converted to shares of common stock prior to maturity. We may not generate sufficient cash flow from operations or have future borrowings available to enable us to repay our indebtedness or to fund other liquidity needs.

Our substantial indebtedness could have important consequences. For example, it could:

- make it more difficult for us to satisfy our obligations with respect to the Notes and our other debt;
- increase our vulnerability to general adverse economic and industry conditions;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness and related interest, including indebtedness we may incur in the future, thereby reducing the availability of our cash flow to fund working capital, capital expenditures and other general corporate purposes;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- increase our cost of borrowing;
- place us at a competitive disadvantage compared to our competitors that may have less debt; and
- limit our ability to obtain additional financing for working capital, capital expenditures, acquisitions, debt service requirements or general corporate purposes.

We expect to use cash flow from operations and outside financings to meet our current and future financial obligations, including funding our operations, debt service and capital expenditures. Our ability to make these payments depends on our future performance, which will be affected by financial, business, economic and other factors, many of which we cannot control. Our business may not generate sufficient cash flow from operations in the future, which could result in our being unable to repay indebtedness, or to fund other liquidity needs. If we do not generate sufficient cash from operations, we may be forced to reduce or delay our business activities and capital expenditures, sell assets, obtain additional debt or equity capital or restructure or refinance all or a portion of our debt, including our senior secured term loan and the Notes, on or before maturity. We cannot make any assurances that we will be able to accomplish any of these alternatives on terms acceptable to us, or at all. In addition, the terms of existing or future indebtedness may limit our ability to pursue any of these alternatives.

Despite current indebtedness levels and restrictive covenants, we may still be able to incur more debt or make certain restricted payments, which could further exacerbate the risks described above.

We and our subsidiaries may be able to incur additional debt in the future. Although our Credit Facility contains restrictions on our ability to incur additional indebtedness or make restricted payments, those restrictions are subject to a number of exceptions. We may also consider investments in joint ventures or acquisitions, which may increase our indebtedness. Adding new debt to current debt levels or making restricted payments could intensify the related risks that we and our subsidiaries now face. The Company was in compliance with all of its debt covenants as of March 31, 2015.

Our Credit Facility restricts our ability to engage in some business and financial transactions.

Our Credit Facility restricts our and our subsidiaries' abilities in certain circumstances to, among other things:

- incur additional debt;

- change the nature of their businesses;
- pay dividends and make other distributions on, redeem or repurchase, capital stock;
- make certain investments or other restricted payments;
- enter into transactions with affiliates;
- sell all, or substantially all, of our assets;
- create liens on assets to secure debt; or
- effect a consolidation or merger.

These covenants limit our operational flexibility and could prevent us from taking advantage of business opportunities as they arise, growing our business or competing effectively. In addition, our new senior credit facility requires us to maintain specified financial ratios and satisfy other financial condition tests. Our ability to meet these financial ratios and tests can be affected by events beyond our control, and we cannot assure that we will meet these tests and therefore incur additional costs and penalties.

We hold a significant stake in Clinuvel Pharmaceuticals, which could pose significant risks to our financial position and our stockholders.

On July 17, 2014, we made a proposal to the board of directors of Clinuvel Pharmaceuticals Limited ("Clinuvel") to acquire all of the outstanding shares of Clinuvel for either 0.175 shares of common stock of the Company or $2.03 in cash per share for an aggregate purchase price of approximately $89 million. The proposal was rejected and as of March 31, 2015, we had remaining approximately $6.2 million of the outstanding shares of Clinuvel. The Company's intention is liquidate our Clinuvel investment and use the cash generated from stock sales for working capital purposes. Due to the market for Clinuvel's stock, the Company may not be able to readily liquidate our investment in Clinuvel, as a result, the Company may need to obtain additional equity and/or debt financing to fund operations. Our goal is ultimately to dispose of our shares in Clinuvel and realize gains upon our disposition of such shares. However, the shares we receive may not appreciate in value and, in fact, may decline value. Accordingly, we may not be able to realize gains from our interest in Clinuvel, and any gains that we do realize on the disposition of any shares may not be sufficient to offset any other losses we experience.

A default under the Credit Facility or the Notes may have a material adverse effect on our financial condition.

In the event of a default the Credit Facility, the holders of the indebtedness thereunder generally would be able to declare all of the indebtedness under such term loan, together with accrued interest, to be due and payable. In addition, borrowings under our Credit Facility are secured by substantially all of our and our domestic subsidiaries' assets, subject to certain limited exceptions and, in the event of a default under that facility, the lenders thereunder generally would be entitled to seize the collateral, including assets which are necessary to operate our business.

If an event of default under the Notes occurs, the principal amount of the Notes, plus accrued and unpaid interest (including additional interest, if any) may be declared immediately due and payable, subject to certain conditions set forth in the indenture governing such notes. Events of default include, but are not limited to:

- failure to pay (for more than 30 days) interest when due;
- failure to pay principal when due;
- failure to deliver shares of Common Stock upon conversion of a Note;
- failure to provide notice of a fundamental change;
- acceleration on other indebtedness of the Company in excess of $10 million (other than indebtedness that is non-recourse to the Company); or
- certain types of bankruptcy or insolvency involving the Company.

Accordingly, the occurrence of a default under our Credit Facility or the Notes, unless cured or waived, may have a material adverse effect on our results of operations.

Our ability to make payments on the Notes is partially dependent upon our ability to receive dividends and other distributions from our subsidiaries.

Our subsidiaries are legally distinct from us. Payment to us by our subsidiaries will be contingent upon our subsidiaries' earnings and other business considerations. The ability of our subsidiaries to pay dividends, make distributions, provide loans or make other payments to us may be restricted by applicable state and foreign laws, potentially adverse tax consequences and their agreements, if any, including agreements governing their debt. As a result, we may not be able to access their cash flow to service our debt, including the Notes, and we cannot assure our noteholders that the amount of cash and cash flow of such subsidiaries will be fully available to us.

The Notes are structurally subordinated to all obligations of our subsidiaries.

The Notes are our obligations and are structurally subordinated to all indebtedness and other obligations, including trade payables, of our subsidiaries. Additionally, our senior secured term loan is guaranteed by our subsidiaries and secured by substantially all of their assets.

The effect of this structural subordination is that, in the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding involving a subsidiary which is not a guarantor of the Notes, the assets of the affected entity could not be used to pay noteholders until after all other claims against that subsidiary, including trade payables, have been fully paid.

The Notes rank junior to any of our secured indebtedness.

The Notes are our general unsecured obligations; they are not secured by any of our assets or those of our subsidiaries. The Notes effectively rank junior to any secured indebtedness, including the Credit Facility and any other secured indebtedness that we may incur. In the event of our bankruptcy, liquidation, reorganization or other winding up, our assets that secure debt will be available to pay obligations on the Notes only after all debt under such secured debt has been repaid in full from such assets. As a result, it is likely that there would not be sufficient assets remaining to pay amounts due on any or all the Notes then outstanding. In addition, the terms of the Notes allow us to secure unlimited amounts of debt with our assets, all of which would be effectively senior to the Notes to the extent of the value of such assets.

Provisions of the Notes could discourage an acquisition of us by a third party.

Certain provisions of the Notes could make it more difficult or more expensive for or prevent a third party to acquire us. Upon the occurrence of certain transactions constituting a fundamental change, holders of the Notes will have the right, at their option, to require us to repurchase all of their Notes or any portion of the principal amount of such Notes in integral multiples of $1,000. We may also be required to increase the conversion rate for conversions in connection with certain fundamental changes.

Conversion of the Notes may dilute the ownership interest of existing stockholders, including holders who had previously converted their Notes.

To the extent we issue shares of common stock upon conversion of the Notes, the conversion of some or all of the Notes will dilute the ownership interests of existing stockholders. Any sales in the public market of shares of the common stock issuable upon such conversion could adversely affect prevailing market prices of shares of our common stock. In addition, the existence of the Notes may encourage short selling by market participants because the conversion of the Notes could depress the price of shares of our common stock.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

On May 7, 2015, we entered into an employment agreement with Alvin Shih, Ph.D., our Executive Vice President Research and Development (the "Employment Agreement"). The Employment Agreement amends and restates our previous employment agreement entered into with Dr. Shih on May 23, 2014. Pursuant to the terms of the Employment Agreement, Dr. Shih will receive an initial base salary of $450,000 per year, subject to annual adjustments determined by our Chief Executive Officer and the Compensation Committee of our Board of Directors (the "Compensation Committee"). Upon execution of the Employment Agreement, Dr. Shih became entitled to a one-time signing bonus equal to $50,000, and is entitled to future discretionary annual bonuses as determined by our Chief Executive Officer and the Compensation Committee, with a bonus target currently set at 50% of his base salary. While Dr. Shih will continue to be employed on an at-will basis, the Employment Agreement provides that in the event of his termination by the Company without cause or in the event of his termination due to a constructive termination, in exchange for a general release against the Company, Dr. Shih will be entitled to severance benefits consisting of, among other things, (i) a cash compensation amount equal to his annual base salary plus annual target bonus, paid in equal installments over a period of 12 months, (ii) payment of the cost of COBRA coverage for a period of up to 12 months and (iii) acceleration of the vesting of all outstanding stock awards such that the amount of shares vested under such stock awards equals the number of shares that would have vested if Dr. Shih had continued to render services to the Company for 12 months following his separation from service. Additionally, in connection with a change in control of the Company, if Dr. Shih's employment with the Company is terminated without cause or in the event of his termination due to a constructive termination, in exchange for a general release against the Company, Dr. Shih will be entitled to severance benefits consisting of, among other things, (i) a cash compensation amount equal to his annual base salary plus annual target bonus, multiplied by 1.5, paid in a single lump-sum amount, (ii) payment of the cost of COBRA coverage for a period of up to 18 months and (iii) acceleration of the vesting of all outstanding stock awards such that all outstanding stock awards become fully vested.

The foregoing description of the Employment Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Employment Agreement attached hereto as Exhibit 10.8.

Item 6. Exhibits

(a) Exhibits

3.1	Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.1 to Amendment No. 2 to the Company's General Form for Registration of Securities on Form 10-12G, filed with the SEC on October 28, 2010).
3.2	Amended and Restated Bylaws of the Company (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed with the SEC on January 7, 2014).
3.3	Amendment to Amended and Restated Bylaws of the Company (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed with the SEC on February 9, 2015).
4.1	Form of Warrant Certificate, dated June 30, 2014, issued to the Lenders under the Credit Agreement (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, filed with the SEC on July 7, 2014).
4.2	Form of Warrant issued to the purchasers in the private placement of 3,045,929 shares of common stock, dated February 14, 2013 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, filed with the SEC on February 19, 2013).
4.3	Form of Common Stock Purchase Warrant, dated August 15, 2013, issued to the purchasers of securities in the private placement of the Company closed on August 15, 2013 (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K, filed with the SEC on August 20, 2013).
4.4	Form of Note Purchase Agreement for principal senior convertible notes with an interest rate of 4.50% due 2019 ("2019 Notes"), dated May 29, 2014, by and among the Company and the investors identified therein (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on June 4, 2014).

4.5	Form of Indenture for 2019 Notes, dated May 30, 2014 (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on June 4, 2014).
4.6	Form of Note for 2019 Notes, dated May 30, 2014 (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K, filed with the SEC on May 29, 2014).
4.7	Registration Rights Agreement, dated February 12, 2013, by and among the Company and the February 2013 Purchasers (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on February 19, 2013).
4.8	Registration Rights Agreement, dated August 15, 2013, by and among the Company and the August 2013 Purchasers (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on August 20, 2013).
4.9	First Amendment to Registration Rights Agreement, dated August 14, 2013, by and among the Company and the purchasers signatory thereto (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K, filed with the SEC on August 20, 2013).
4.10	Form of Indenture for Senior Debt Securities (incorporated by reference to Exhibit 4.10 to the Company's Registration Statement on Form S-8, filed with the SEC on September 9, 2014).
4.11	Form of Indenture for Subordinated Debt Securities (incorporated by reference to Exhibit 4.11 to the Company's Registration Statement on Form S-8, filed with the SEC on September 9, 2014).
10.1	Asset Purchase Agreement dated as of January 9, 2015, between Retrophin, Inc. and Turing Pharmaceuticals AG*
10.2	Asset Purchase Agreement dated as of February 12, 2015, among Retrophin, Inc., Manchester Pharmaceuticals LLC and Turing Pharmaceuticals AG*
10.3	Asset Purchase Agreement dated as of February 12, 2015, between Retrophin, Inc. and Turing Pharmaceuticals AG*
10.4	Amendment No. 3 to Credit Agreement dated January 12, 2015, among Retrophin, Inc., the lenders from time to time thereto and U.S. Bank National Association, as administrative agent and collateral agent.*
10.5+	Amendment No. 3 to Sublicense Agreement dated as of February 27, 2015, between Retrophin, Inc. and Ligand Pharmaceuticals Incorporated.*
10.6+	Asset Purchase Agreement dated January 10, 2015 by and between Retrophin, Inc. and Asklepion Pharmaceuticals, LLC.*
10.7	Amendment No. 4 to Credit Agreement, dated March 24, 2015, among Retrophin, Inc., the lenders from time to time thereto and U.S. Bank National Association, as administrative agent and collateral agent.*
10.8	Employment Agreement, dated May 7, 2015, by and between Retrophin, Inc. and Alvin Shih*
10.9	Purchase Agreement dated as of February 12, 2015 among Retrophin Inc., Manchester Pharmaceuticals LLC and Waldun Pharmaceuticals LLC*
31.1	Chief Executive Officer's Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 *
31.2	Chief Financial Officer's Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 *
32.1	Chief Executive Officer's Certification pursuant to Section 906 of the Sarbanes Oxley Act of 2002 *
32.2	Chief Financial Officer's Certification pursuant to Section 906 of the Sarbanes Oxley Act of 2002 *
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Taxonomy Extension Presentation Linkbase Document

***** Filed herewith.

\+ We have requested confidential treatment of certain portions of this agreement, which have been omitted and filed separately with the SEC pursuant to Rule 406 under the Securities Act of 1933, as amended, or Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

SIGNATURES

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

Date: May 11, 2015

RETROPHIN, INC.

By: /s/ Stephen Aselage
Name: Stephen Aselage
Title: Chief Executive Officer

By: /s/ Laura Clague
Name: Laura Clague
Title: Chief Financial Officer

Exhibit 10.1

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "**Agreement**") is made as of January 9, 2015, by and between **Retrophin, Inc.**, a Delaware corporation ("**Retrophin**" or "**Seller**") and **Turing Pharmaceuticals AG**, a stock corporation organized under the laws of Switzerland ("**Buyer**"). Buyer and Seller may be referred to herein collectively as the "**Parties**" and individually as a "**Party**."

RECITALS

WHEREAS, Buyer is interested in acquiring from Seller the Assets (as defined in Section 2.1 below) related to ketamine (the "**Product**") licensed to Seller pursuant to that certain Exclusive License Agreement made effective on December 12, 2013 by and between Stuart Weg, MD ("**Dr. Weg**") and Seller (the "**Weg Agreement**").

WHEREAS, Seller desires to assign all of its rights, interests and obligations under the Weg Agreement, and convey all of the Assets to Buyer, and Buyer desires to purchase the Assets from Seller and assume the Product rights, interests and obligations under the Weg Agreement, all on the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of these premises, the respective covenants of Buyer and Seller set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Definitions. In addition to the other capitalized terms defined herein, the following capitalized terms shall have the following respective meanings:

"**Affiliate**" means, with respect to any Party, any Person that, directly or indirectly, controls, is controlled by, or is under common control with such Party at any time during the period for which the determination of affiliation is being made. For the purposes of this definition, "**control**" (with correlative meanings for the terms "**controlled by**" and "**under common control with**") means the possession by the applicable Person, directly or indirectly, of the power to direct or cause the direction of the management, policies and business affairs of a Person, whether through ownership of voting securities or general partnership or managing member interests, by contract or otherwise.

"**Applicable Laws**" means all applicable laws, rules, regulations and guidelines that may apply to the development, manufacture, use, sale, offer for sale or distribution of Product, or the performance of any Party's obligations under this Agreement.

"**Business Day**" means any day other than a Saturday, Sunday or a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to close.

"**Confidential Information**" means any information that (i) in any way relates to a Party or Affiliate thereof, including its products, business, know-how, business strategies and technology and (ii) is furnished or disclosed to the other Party in connection with this Agreement, and is identified as "confidential" (or words of similar import) upon such disclosure; provided, however, that the term "Confidential Information" shall not include any specific information that:

(A) at the time of disclosure, is generally available to the public;

(B) after disclosure hereunder, becomes generally available to the public, except as a result of a breach of this Agreement by the recipient of such information;

(C) becomes available to the recipient of such information from a Third Party that is not legally or contractually prohibited by the disclosing Party from disclosing such Confidential Information; or

(D) the recipient of which can demonstrate was developed by or for such recipient without the use of any of the Confidential Information of the disclosing Party or its Affiliates hereunder.

"**Liens**" means any mortgages, security interests, liens, options, pledges, equities, claims, charges, restrictions, conditions, conditional sale contracts and any other adverse interests or other encumbrances of any kind whatsoever.

"**Person**" means any individual, partnership, association, corporation, limited liability company, trust or other legal person or entity.

"**Third Party**" means any Person other than a Party and such Party's Affiliates.

1.2 Interpretation. Unless the context of this Agreement otherwise requires (a) words of any gender include each other gender, (b) words using the singular or plural number also include the plural or singular number, respectively, (c) the terms "hereof," "herein," "hereby" and derivative or similar words refer to this entire Agreement, (d) the terms "Article," "Section" and "Exhibit" refer to the specified Article, Section and Exhibit of this Agreement and (e) the terms "include," "includes" or "including," shall be deemed to be followed by the words "without limitation" unless otherwise indicated. Whenever this Agreement refers to a number of days, unless otherwise specified, such number shall refer to calendar days. The headings in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

ARTICLE 2
SALE AND PURCHASE OF PURCHASED ASSETS

2.1 Conveyance of Assets. Upon the terms and subject to the conditions of this Agreement, on the Closing Date, Seller shall irrevocably sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase, acquire and accept, free and clear of any and all Liens, all right, title and interest of Seller in and to the Weg Agreement and the following assets related to the Product (collectively, the "**Assets**"):

(a) Investigational New Drug application number PIND 121,780 and all regulatory filings and data, including the approximate 50 boxes of data and CD/DVDs of data that exist containing method development and CoA data;

(b) All FDA correspondence, including all briefing documents and FDA response;

(c) Contact information for API, device and finished drug product vendors; and

(d) Any and all supplies that exist, including vials, actuators and pumps.

Seller will provide Buyer with the location of the Assets, and Buyer will be responsible for the Assets from and after the Closing Date.

2.2 Assumed Liabilities. Upon the terms and subject to the conditions of this Agreement, on the Closing Date, Buyer shall assume, be responsible for and pay, perform and discharge when due any and all liabilities of Seller arising under the Weg Agreement or otherwise with regard to the Product and the Assets that accrue from and after the Closing Date (the "**Assumed Liabilities**"):

2.3 Excluded Liabilities. Except for the Assumed Liabilities, Buyer shall not assume or be liable for any liabilities of Seller or its respective Affiliates (fixed, contingent or otherwise, and whether or not accrued) arising from or related to the Product, the Assets or otherwise (the "**Excluded Liabilities**").

2.4 Transfer Taxes and Fees. Any and all sales, excise, use, value-added and similar taxes, fees or duties assessed or incurred by reason of the sale by Seller and the purchase by Buyer of the Assets hereunder shall be paid by Seller (and not by Buyer), regardless of which Party against which such taxes, fees or duties are assessed.

ARTICLE 3
CONSIDERATION

3.1 Consideration. Subject to the terms and conditions of this Agreement, **t**he consideration (the "**Consideration**") for the transfer and conveyance of the Assets to Buyer in accordance with Article 2 shall be One Million Dollars ($1,000,000) payable by wire transfer of immediately available funds to the account or accounts designated in writing by Seller.

3.2 Allocation of Consideration. The Consideration shall be allocated among the Assets as of the Closing Date in accordance with Applicable Laws and **Schedule 3.2**. The Parties each agree to (a) report (and to cause its respective Affiliates to report) the transactions contemplated by this Agreement in a manner consistent with Applicable Law and with the terms of this Agreement (including the allocation set forth on **Schedule 3.2**) and (b) not to take any position inconsistent therewith in any tax return, in any tax refund claim, in any litigation or otherwise. For tax purposes, the Parties each agree to treat the transfer of the Assets to Buyer in part as a sale of the Assets to Buyer and in part as a contribution of the Assets to Buyer under Section 721 of the U.S. Internal Revenue Code (and comparable provisions of applicable U.S., state, local and non-U.S. tax laws).

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants to Buyer as follows:

4.1 Organization; Subsidiary. Seller is a business entity duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is formed or incorporated. Seller has the requisite power and authority to own, lease and operate the properties now owned, leased and operated by it and to carry on its business as currently conducted. Seller is duly qualified to do business as a foreign entity in each jurisdiction in which the nature of its business or the character of its properties makes such qualification necessary, except where the failure to do so would not have a material adverse effect on Seller or any of the Assets.

4.2 Authority and Enforceability. Seller has the requisite power and authority to enter into this Agreement and each of the Bill of Sale and the Assignment and Assumption Agreement (as such terms are defined in Section 6.2) to which each is a party (collectively the "**Ancillary Agreements**"), and to perform its obligations hereunder and thereunder. Seller has taken all necessary action on its part to authorize the execution and delivery of this Agreement and each Ancillary Agreement to which it is a party and the performance of its obligations hereunder and thereunder. This Agreement and each Ancillary Agreement to which it is a party has been duly and validly executed and delivered by Seller and is the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms.

4.3 No Violation, Etc. The execution and delivery of this Agreement and each Ancillary Agreement to which it is a party, and the performance of the obligations hereunder and thereunder by Seller does not and will not (a) violate or conflict with any provision of the charter documents of Seller, (b) violate, or conflict with, or result in a breach of any provision of, or constitute a default or give rise to any right of termination, cancellation or acceleration (with the passage of time, notice or both) under any agreement, lease, instrument, obligation, understanding or arrangement, oral or written, to which Seller is a party or by which any of Seller's properties or assets is subject, including the Assets, (c) violate any Applicable Law to which Seller or any of its properties or assets are subject or (d) result in any Lien on the Assets. Without limiting the foregoing, Seller has not granted any right to any Third Party which would conflict with the conveyance of the Assets to Buyer.

4.4 No Consents and Approvals. Except for the consents of Dr. Weg and Athyrium Capital Management as provided in Section 4.7, no permit, consent, approval or authorization of, or notice, declaration, filing or registration with, any governmental authority or Third Party is or will be necessary in connection with the execution and delivery by Seller of this Agreement and each Ancillary Agreement to which it is a party or the performance by Seller of its obligations hereunder and thereunder.

4.5 Litigation. There is no litigation, proceeding, investigation, arbitration or claim pending against Seller or, to Seller's knowledge, threatened with respect to the Assets or the transactions contemplated herein.

4.6 Assets. Seller has, and on the Closing Date will convey and transfer to Buyer hereby, good, complete and legal title to each and all of the Assets, free and clear of any and all Liens.

4.7 Assigned Contract. Seller has delivered to Buyer a true, correct and complete copy of the Weg Agreement (the "**Assigned Contract**") (including amendments thereto). The Assigned Contract is a valid and binding obligation of the parties thereto, enforceable in accordance with its terms. Seller has duly performed all of its obligations under the Assigned Contract to the extent that such obligations to perform have accrued; and no breach or default, alleged breach or default, or event which would (with the passage of time, notice or both) constitute a breach or default thereunder has occurred. Seller has not received any notice of default or breach (written or oral) under the Assigned Contract. The execution, delivery and performance of this Agreement or any Ancillary Agreement and consummation of the transactions contemplated hereby and thereby will not result in a breach of or default under the Assigned Contract, will not terminate of modify any rights of, or accelerate or augment any obligation of, Seller under the Assigned Contract and do not require any consent, approval, waiver or other action by any party to the Assigned Contract, except for the consent to assign the Assigned Contract by Dr. Weg. In accordance with the terms of this Agreement, at the Closing, Seller's rights under the Assigned Contract shall be assigned hereby to Buyer, and Buyer shall have the right to exercise the rights and privileges of Seller under the Assigned Contract pursuant to its terms.

4.8 Solvency. Upon and immediately following the Closing Date, after giving effect to all of the transactions contemplated by and in this Agreement (including the payment of the Consideration and the assumption by Buyer of the Assumed Liabilities in accordance herewith), Seller will not be insolvent and Seller will have sufficient capital to continue in business and pay its debts as they become due.

4.9 Exclusive Representations and Warranties. Other than the express representations and warranties set forth in this Article 4 or in any Ancillary Agreement, Seller is not making any representations or warranties, express or implied.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Seller as follows:

5.1 Organization. Buyer is a stock corporation organized, validly existing and in good standing under the laws of Switzerland. Buyer has the requisite power and authority to own, lease and operate the properties now owned, leased and operated by it and to carry on its businesses as currently conducted. Buyer is duly qualified to do business as a foreign entity in each jurisdiction in which the nature of its business or the character of its properties makes such qualification necessary, except where the failure to do so would not have a material adverse effect on Buyer.

5.2 Authority and Enforceability. Buyer has the requisite power and authority to enter into this Agreement and each Ancillary Agreement to which it is a party and to perform its obligations hereunder and thereunder. Buyer has taken all necessary action on its part to authorize the execution and delivery of this Agreement and each Ancillary Agreement to which it is a party and the performance of its obligations hereunder and thereunder. This Agreement and each Ancillary Agreement to which it is a party has been duly and validly executed and delivered by Buyer and is the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms.

5.3 No Violation, Etc. The execution and delivery of this Agreement and each Ancillary Agreement to which it is a party and the performance of the obligations hereunder and thereunder by Buyer does not and will not (a) violate or conflict with any provision of the charter documents of Buyer, (b) violate, or conflict with, or result in a breach of any provision of, or constitute a default or give rise to any right of termination, cancellation or acceleration (with the passage of time, notice or both) under any agreement, lease, instrument, obligation, understanding or arrangement, oral or written, to which Buyer or any of its Affiliates is a party or by which any of Buyer's properties or assets is subject or (c) violate any Applicable Law to which Buyer or any of its properties or assets are subject.

5.4 No Consents and Approvals. No permit, consent, approval or authorization of, or notice, declaration, filing or registration with, any governmental authority or Third Party is or will be necessary in connection with the execution and delivery by Buyer of this Agreement and each Ancillary Agreement to which it is a party or the performance by Buyer of its obligations hereunder and thereunder.

5.5 Litigation. There is no litigation, proceeding, investigation, arbitration or claim pending against Buyer or its Affiliates or, to Buyer' knowledge, threatened with respect to the transactions contemplated herein.

5.6 Exclusive Representations and Warranties. Other than the express representations and warranties set forth in this Article 5 or in any Ancillary Agreement, Buyer is not making any representations or warranties, express or implied.

ARTICLE 6
CLOSING

6.1 Closing. The consummation of the transactions contemplated herein (the "**Closing**") will take place on the date hereof at the offices of Reitler Kailas & Rosenblatt LLC, 885 Third Avenue, New York, New York 10022, or at such other time and place as agreed to by Buyer and Seller in writing. The date on which the Closing actually occurs is referred to herein as the "**Closing Date**".

6.2 Closing Deliverables.

(a) Seller's Deliverables. At the Closing, Seller shall deliver or have delivered to Buyer the following:

(i) A Certificate, in a form reasonably satisfactory to Buyer, executed by an executive officer of Seller and dated as of the Closing Date, certifying that (A) each of the representations and warranties of Seller set forth in this Agreement is true and correct as of the Closing Date as though made on and as of the Closing Date, and (B) Seller has performed or complied with all obligations, conditions and covenants required to be performed by it under this Agreement at or prior to the Closing.

(ii) Bill of Sale, executed by Seller and dated as of the Closing Date, in the form of Exhibit A hereto (the "**Bill of Sale**");

(iii) Assignment and Assumption Agreement related to the Assigned Contract, executed by Seller and dated as of the Closing Date, in the form of Exhibit B hereto (the "**Assignment and Assumption Agreement**"); and

(iv) The consent from Athyrium Capital Management set forth in Section 4.4.

(b) Buyer's Deliverables. At the Closing, Buyer shall have delivered to Seller the following:

(i) A Certificate, in a form reasonably satisfactory to Seller, executed by an executive officer of Buyer and dated of the Closing Date, certifying that (A) each of the representations and warranties of Buyer set forth in this Agreement is true and correct, in all material respects, as of the Closing Date as though made on and as of the Closing Date, and (B) Buyer has performed or complied with, in all material respects, all obligations, conditions and covenants required to be performed by it under this Agreement at or prior to the Closing;

(ii) Assignment and Assumption Agreement, executed by Buyer and dated as of the Closing Date;

(iii) Buyer's arrangements for collection of the Assets; and

(iv) The consent from Dr. Weg set forth in Section 4.4.

6.3 Conditions to Obligations of Buyer. The obligations of Buyer to purchase the Assets, to assume the Assumed Liabilities and to consummate the other transactions contemplated by this Agreement are subject to the satisfaction on and as of the Closing Date of each of the following conditions (or Buyer's expressed waiver of such condition in writing):

(a) Representations and Warranties. The representations and warranties of Seller set forth in this Agreement shall be true and correct, in all material respects, as of the Closing Date.

(b) Performance of Obligations of Seller. Seller shall have performed or complied in all material respects with all obligations, conditions and covenants required to be performed by it under this Agreement at or prior to the Closing.

(c) Consents. The consents set forth in Section 4.4 shall have been obtained from Dr. Weg and Athyrium Capital Management.

(d) No Injunction. There shall not have been issued and in effect any injunction or similar legal order prohibiting or restraining consummation the transaction contemplated by this Agreement.

(e) Closing Deliverables. On or before the Closing, Buyer shall have received from Seller each of the deliverables set forth in Section 6.2(a) above.

6.4 Conditions to the Obligations of Seller. The obligations of Seller to sell, assign, convey and deliver the Assets hereof are subject to the satisfaction on and as of the Closing of each of the following conditions (or Seller's expressed waiver of such condition in writing):

(a) Representations and Warranties. The representations and warranties of Buyer set forth in this Agreement shall be true and correct in all material respects as of the Closing.

(b) Performance of Obligations of Buyer. Buyer shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date.

(c) Consents. The consents set forth in Section 4.4 shall have been obtained from Dr. Weg and Athyrium Capital Management.

(d) No Injunction. There shall not have been issued and in effect any injunction or similar legal order prohibiting or restraining consummation the transaction contemplated by this Agreement.

(e) Closing Deliverables. On or before the Closing, Seller shall have received from Buyer each of the deliverables set forth in Section 6.2(b) above.

ARTICLE 7
POST-CLOSING COVENANTS AND AGREEMENTS

7.1 Additional Deliveries. For no additional consideration, from time to time, on and after the Closing Date, at Buyer's request, Seller shall execute and deliver such additional or confirmatory instruments, documents of conveyance, endorsements, assignments and acknowledgments as are necessary to evidence or vest in Buyer sole and exclusive title in and to the Assets.

7.2 Intentionally Omitted.

7.3 Intentionally Omitted.

7.4 Freedom from Suit. Seller, on behalf of itself, its Affiliates and any successors and assigns of Seller or its Affiliates, hereby irrevocably and forever waives any right, remedy or cause of action against Buyer, its Affiliates or its licensees or any of their respective successors or assigns, for infringement or the like of any intellectual property right that Seller, its Affiliates or their respective successors and assigns may have, as of the Closing Date or thereafter at any time in the future, arising from or related to any use or practice by Buyer, its Affiliates or its licensees, or any of their respective successors or assigns, of the Assets anywhere in the world. In addition, Seller shall not and shall cause its Affiliates to not directly, or indirectly through assistance granted to a Third Party, commence any reexamination, interference or opposition proceeding, challenge the validity or enforceability of, or oppose any extension of or the grant of a supplementary protection certificate with respect to any patent or patent application included in or covering any Product intellectual property right of the Product.

7.5 Technology Transfer. Seller agrees to provide its personnel as reasonably requested by Buyer to assist Buyer in the transfer of the Assets and technology related to the Assets to Buyer or such third parties as Buyer may designate (the "**Tech Transfer**"). Buyer shall bear all costs related to the Tech Transfer at a rate of One Hundred Thousand Dollars ($100,000) per Seller employee full-time equivalent. Any Tech Transfer costs hereunder and under any other asset purchase agreement entered into between Seller and Buyer in excess of Twenty-Five Thousand Dollars ($25,000) in the aggregate shall require the prior written approval of Buyer. Seller's obligation to provide Tech Transfer assistance shall terminate on the six (6) month anniversary of the Closing Date.

ARTICLE 8
INDEMNIFICATION

8.1 By Seller. From and after the Closing Date, to the extent provided in this Article 8, Seller shall indemnify, defend and hold harmless Buyer and its Affiliates and their respective officers, directors, employees, agents, successors and assigns from and against any claims, suits or proceedings and any damages or liability therefrom or settlement thereof (including reasonable fees of attorneys and related costs) to the extent arising out of or related to (a) any breach of any representation, warranty, covenant or agreement of Seller contained in herein and (b) any Excluded Liability.

8.2 By Buyer. From and after the Closing Date, to the extent provided in this Article 8, Buyer shall indemnify, defend and hold harmless Seller and its Affiliates and their respective officers, directors, employees, agents, successors and assigns from and against any claims, suits or proceedings and any damages or liability therefrom or settlement thereof (including reasonable fees of attorneys and related costs) to the extent arising out of or related to (a) any breach of any representation, warranty, covenant or agreement of Buyer contained in this Agreement and (b) any Assumed Liability.

8.3 Indemnification Procedures. A Party (the "**Indemnitee**") that intends to claim indemnification under this Article 8 shall promptly notify the other Party (the "**Indemnitor**") in writing of any action, claim or liability in respect to which the Indemnitee or any of its Affiliates or its or their respective officers, directors, employees or agents intends to claim such indemnification. The Indemnitee shall permit and shall cause its employees and agents to permit, the Indemnitor, at its discretion, to settle any such action, claim or liability and agrees to the complete control of such defense or settlement by the Indemnitor; provided, however, that such settlement does not materially and adversely affect the Indemnitee's rights hereunder or impose any obligations on the Indemnitee in addition to those set forth herein. No such action, claim or liability shall be settled by the Indemnitee without the prior written consent of the Indemnitor (which consent shall not be unreasonably withheld, delayed or conditioned), and the Indemnitor shall not be responsible for any fees or other costs incurred other than as provided herein. The Indemnitee, its employees, agents and Affiliates shall cooperate fully with the Indemnitor and its legal representatives in the investigation and defense of any action, claim or liability covered by this indemnification. The Indemnitee shall have the right, but not the obligation to be represented by counsel of its own selection at its own expense.

ARTICLE 9
DISPUTE RESOLUTION

9.1 Arbitration.

(a) Any dispute arising out of or relating to this Agreement (including the Exhibits and Schedules referenced herein, the Ancillary Agreements and the other specific agreements contemplated herein or thereby) that cannot be resolved in thirty (30) days through good faith negotiation and discussion among the Parties shall be finally settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules then in effect (the **"Arbitration Rules"**). The arbitration shall be conducted in the County and State of New York, unless otherwise agreed by the Parties in writing. The arbitration shall be conducted in the English language.

(b) The arbitration shall be conducted by a single, neutral arbitrator ("**Arbitrator**") selected as follows: Within ten (10) days after receipt of an arbitration notice from a Party, the Parties shall attempt in good faith to agree on an Arbitrator. If the Parties do not agree on an Arbitrator within ten (10) days after receipt of an arbitration notice, the Parties shall exchange lists containing the names of three (3) candidates proposed by each Party to serve in such capacity. No later than the five (5) days after the exchange of each Party's list of candidates, each Party shall deliver to the other a list ranking all six (6) candidates proposed by the Parties in order of preference (one (1) being the most preferred and six (6) being the least

preferred). The candidate with the lowest aggregate ranking on the Parties' lists shall serve as the Arbitrator (with the candidate whose last name comes first alphabetically being chosen in case of a tie). If any candidate selected in accordance with the procedures provided in this Section is unable or unwilling to act as the Arbitrator, the candidate whose ranking is next lowest shall be approached until an Arbitrator is selected. If none of the candidates proposed by the Parties is capable or willing to serve as the Arbitrator, the Parties may either agree to repeat the process until an Arbitrator is selected or, at the election of either Party, proceed in accordance with the Arbitration Rules.

(c) The decision or award of the Arbitrator shall be final, binding and incontestable and may be used as a basis for judgment thereon in any jurisdiction. The Parties hereby expressly agree to waive the right to appeal from the decision of the Arbitrator. Accordingly, there shall be no appeal to any court or other authority (government or private) from the decision of the Arbitrator, and the Parties shall not dispute nor question the validity of such decision or award before any regulatory or other authority in any jurisdiction where enforcement action is taken by the Party in whose favor the decision or award is rendered, except in the case the decision or award was procured by fraud. The Arbitrator shall, upon the request of either Party, issue a written opinion of the findings of fact and conclusions of law and shall deliver a copy to each of the Parties. Each Party shall bear its own costs and attorneys' fees, and the Parties shall equally bear the fees, costs, and expenses of the Arbitrator and the arbitration proceedings; provided, however, that the Arbitrator may exercise discretion to award costs, including reasonable and necessary attorneys' fees, to the prevailing Party.

9.2 Jurisdiction/Venue/Enforcement of Award. The Parties consent and submit to the exclusive personal jurisdiction and venue of the Supreme Court of the State of New York and the United States District Court for the Southern District of New York, each located in County of New York, State of New York, to compel arbitration in accordance with this Agreement, to enforce any arbitration award granted pursuant to this Agreement, including, any award granting equitable or injunctive relief, and to otherwise enforce this Agreement and carry out the intentions of the Parties to resolve all disputes arising under or in connection with this Agreement through arbitration.

ARTICLE 10
MISCELLANEOUS

10.1 Confidentiality.

(a) Each Party will treat as confidential the Confidential Information of the other Party, and will take all necessary precautions to assure the confidentiality of such Confidential Information. Each Party agrees to return to the other Party upon the expiration or termination of this Agreement all Confidential Information acquired from such other Party, except as to such information it may be required to retain under Applicable Laws, and except for one copy of such information to be retained by such Party solely to enable it to assess its compliance with the confidentiality provisions of this Section 10.1. From the date hereof through the period ending ten (10) years after the Closing Date, neither Party shall, without the other Party's express prior written consent, use or disclose any such Confidential Information for any purpose other than to carry out its obligations hereunder. Each Party, prior to disclosure of

Confidential Information of the other Party to any employee, consultant or advisor shall ensure that such Person is bound in writing to observe the confidentiality such Party's Confidential Information on terms no less restrictive than those contained herein. The obligations of confidentiality shall not apply to Confidential Information that the receiving Party is required by law or regulation to disclose, provided however that the receiving Party shall so notify the disclosing Party of its intent and cooperate with the disclosing Party on reasonable measures to protect the confidentiality of the Confidential Information. Seller hereby acknowledges and agrees that any Confidential Information of Seller on or before the Closing Date included in the Assets shall be Buyer's Confidential Information after the Closing Date.

10.2 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute a single document.

10.3 Entire Agreement. This Agreement, and the Exhibits and Schedules referenced herein, that certain Summary Separation Proposal between Retrophin and Buyer's Chief Executive Officer dated October 13, 2014, the Ancillary Agreements and the other specific agreements contemplated herein or thereby contain the entire agreement between the Parties with respect to the subject matter hereof and supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter.

10.4 Exhibits and Schedules. The Exhibits and Schedules referenced herein and attached hereto are incorporated into this Agreement by reference.

10.5 Governing Law. This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of New York irrespective of the choice of laws principles of the State of New York.

10.6 Assignability. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Neither Party may assign its respective rights or delegate its respective obligations under this Agreement without the express prior written consent of the other Party; provided that either Party may assign or transfer this Agreement, to an Affiliate (provided the assigning Party remains liable hereunder), or to any Third Party in connection with the sale or transfer of the business to which this Agreement relates.

10.7 Third Party Beneficiaries. Nothing in this Agreement shall be deemed to create any third party beneficiary rights in or on behalf of any other Person.

10.8 Notices. All notices required to be given hereunder shall be in writing and shall be given by personal delivery, by an internationally recognized overnight carrier or by registered or certified mail, postage prepaid with return receipt requested. All notices hereunder shall be addressed as follows:

If to Seller, to: Retrophin, Inc.
777 Third Avenue, 22nd Floor
New York, New York 10017
Attention: General Counsel

If to Buyer, to:	Turing Pharmaceuticals AG 101 Avenue of the Americas, 9th Floor New York, New York 10013 Attention: Chief Executive Officer
With a copy to:	Reitler Kailas & Rosenblatt LLC 885 Third Avenue, 20th Floor New York, New York 10022 Attention: Michael Hirschberg, Esq.

Either Party may, by notice to the other Parties given in the form specified in this Section 10.8, change the address to which such notices are to be given. Notices delivered personally shall be deemed communicated as of actual receipt; notices sent via overnight courier shall be deemed received three (3) Business Days following sending; and notices mailed shall be deemed communicated as of seven (7) Business Days after mailing. A Party may change its address by written notice in accordance with this Section 10.8.

10.9 Severability. If any provision of this Agreement shall be held invalid, illegal or unenforceable, the validity, legality or unenforceability of the other provisions of this Agreement shall not be affected thereby, and there shall be deemed substituted for the provision at issue a valid, legal and enforceable provision as similar as possible to the provision at issue.

10.10 Survival. Except as expressly set forth herein, the covenants, representations and warranties contained in this Agreement, and liability for the breach of any obligations contained herein, shall survive the Closing Date and shall remain in full force and effect.

10.11 No Implied Waiver. No failure or delay on the part of the Parties hereto to exercise any right, power or privilege hereunder or under any instrument executed pursuant hereto shall operate as a waiver; nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

10.12 Amendments. Any amendment or modification of this Agreement shall only be valid if made in writing and signed by the Parties hereto.

10.13 Independent Contractors. The relationship between Seller on the one hand and Buyer on the other had is that of independent contractors and nothing herein shall be deemed to constitute the relationship of partners, joint venturers nor of principal and agent between Seller on the one hand and Buyer on the other hand.

10.14 Expenses. Except as expressly set forth herein, each Party shall pay all of its own fees and expenses (including all legal, accounting and other advisory fees) incurred in connection with the negotiation and execution of this Agreement and the arrangements contemplated hereby.

10.15 Representation By Counsel; Interpretation. Seller and Buyer each acknowledges that it has been represented by its own legal counsel in connection with this Agreement and the transactions contemplated by this Agreement. Accordingly, any rule of law, or any legal decision that would require interpretation of any claimed ambiguities in this

Agreement against the Party that drafted it, has no application and is expressly waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the intent of Seller and Buyer.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, the Parties, intending to be bound hereby, have executed this Agreement as of the date first written above.

"Seller"

RETROPHIN, INC.

By: /s/ Stephen Aselage
Name: Stephen Aselage
Title: Chief Executive Officer

"Buyer"

TURING PHARMACEUTICALS AG

By: /s/ Martin Shkreli
Name: Martin Shkreli
Title: Chief Executive Officer

EXHIBIT A

FORM OF BILL OF SALE

EXHIBIT B

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

Exhibit 10.2

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "**Agreement**") is made as of February 12, 2015, by and between **Retrophin, Inc.**, a Delaware corporation ("**Retrophin**"") on behalf of itself and its Affiliates (as that term is defined below), including, without limitation, Manchester Pharmaceuticals LLC, a California limited liability company ("**Manchester**" and, together with Retrophin, "**Seller**"), and **Turing Pharmaceuticals AG**, a stock corporation organized under the laws of Switzerland ("**Buyer**"). Buyer and Seller may be referred to herein collectively as the "**Parties**" and individually as a "**Party**."

RECITALS

WHEREAS, Buyer is interested in acquiring from Seller the Assets (as defined in Section 2.1 below) related to mecamylamine hydrochloride (the "**Product**") manufactured for Seller by Nexgen Pharma, Inc. ("**Nexgen**") pursuant to that certain License and Manufacturing Agreement effective as of April 4, 2013 by and between Nexgen and Manchester (the "**Nexgen Agreement**").

WHEREAS, Seller desires to assign all of its and Manchester's rights, interests and obligations under the Nexgen Agreement, and convey all of the Assets to Buyer, and Buyer desires to purchase the Assets from Seller and assume the Product rights, interests and obligations under the Nexgen Agreement, all on the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of these premises, the respective covenants of Buyer and Seller set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Definitions. In addition to the other capitalized terms defined herein, the following capitalized terms shall have the following respective meanings:

"**Affiliate**" means, with respect to any Party, any Person that, directly or indirectly, controls, is controlled by, or is under common control with such Party at any time during the period for which the determination of affiliation is being made. For the purposes of this definition, "**control**" (with correlative meanings for the terms "**controlled by**" and "**under common control with**") means the possession by the applicable Person, directly or indirectly, of the power to direct or cause the direction of the management, policies and business affairs of a Person, whether through ownership of voting securities or general partnership or managing member interests, by contract or otherwise.

"**Applicable Laws**" means all applicable laws, rules, regulations and guidelines that may apply to the development, manufacture, use, sale, offer for sale or distribution of Product, or the performance of any Party's obligations under this Agreement.

"**Business Day**" means any day other than a Saturday, Sunday or a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to close.

"**Confidential Information**" means any information that (i) in any way relates to a Party or Affiliate thereof, including its products, business, know-how, business strategies and technology and (ii) is furnished or disclosed to the other Party in connection with this Agreement, and is identified as "confidential" (or words of similar import) upon such disclosure; provided, however, that the term "Confidential Information" shall not include any specific information that:

(A) at the time of disclosure, is generally available to the public;

(B) after disclosure hereunder, becomes generally available to the public, except as a result of a breach of this Agreement by the recipient of such information;

(C) becomes available to the recipient of such information from a Third Party that is not legally or contractually prohibited by the disclosing Party from disclosing such Confidential Information; or

(D) the recipient of which can demonstrate was developed by or for such recipient without the use of any of the Confidential Information of the disclosing Party or its Affiliates hereunder.

"**Liens**" means any mortgages, security interests, liens, options, pledges, equities, claims, charges, restrictions, conditions, conditional sale contracts and any other adverse interests or other encumbrances of any kind whatsoever.

"**Person**" means any individual, partnership, association, corporation, limited liability company, trust or other legal person or entity.

"**Third Party**" means any Person other than a Party and such Party's Affiliates.

1.2 Interpretation. Unless the context of this Agreement otherwise requires (a) words of any gender include each other gender, (b) words using the singular or plural number also include the plural or singular number, respectively, (c) the terms "hereof," "herein," "hereby" and derivative or similar words refer to this entire Agreement, (d) the terms "Article," "Section" and "Exhibit" refer to the specified Article, Section and Exhibit of this Agreement and (e) the terms "include," "includes" or "including," shall be deemed to be followed by the words "without limitation" unless otherwise indicated. Whenever this Agreement refers to a number of days, unless otherwise specified, such number shall refer to calendar days. The headings in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

ARTICLE 2
SALE AND PURCHASE OF PURCHASED ASSETS

2.1 Conveyance of Assets. Upon the terms and subject to the conditions of this Agreement, on the Closing Date, Seller, on behalf of itself and its Affiliates, shall irrevocably sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase, acquire and accept, free and clear of any and all Liens, all right, title and interest of Seller and its Affiliates in and to the Nexgen Agreement and all of Seller's current inventory of the Product (approximately 50,000 formulated tablets) and approximately 594g of untableted mecamylamine hydrochloride (the "**Assets**").

2.2 Assumed Liabilities. Upon the terms and subject to the conditions of this Agreement, on the Closing Date, Buyer shall assume, be responsible for and pay, perform and discharge when due any and all liabilities of Manchester arising under the Nexgen Agreement that accrue from and after the Closing Date (the "**Assumed Liabilities**").

2.3 Excluded Liabilities. Except for the Assumed Liabilities, Buyer shall not assume or be liable for any liabilities of Seller or its respective Affiliates (fixed, contingent or otherwise, and whether or not accrued) arising from or related to the Product, the Assets or otherwise (the "**Excluded Liabilities**").

2.4 Transfer Taxes and Fees. Any and all sales, excise, use, value-added and similar taxes, fees or duties assessed or incurred by reason of the sale by Seller and the purchase by Buyer of the Assets hereunder shall be paid by Seller (and not by Buyer), regardless of which Party against which such taxes, fees or duties are assessed.

ARTICLE 3
CONSIDERATION

3.1 Consideration. Subject to the terms and conditions of this Agreement, **t**he consideration (the "**Consideration**") for the transfer and conveyance of the Assets to Buyer in accordance with Article 2 shall be Three Hundred Thousand Dollars ($300,000) payable by wire transfer of immediately available funds to the account or accounts designated in writing by Seller.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants to Buyer as follows:

4.1 Organization; Subsidiary. Seller is a business entity duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is formed or incorporated. Seller has the requisite power and authority to own, lease and operate the properties now owned, leased and operated by it and to carry on its business as currently conducted. Seller is duly qualified to do business as a foreign entity in each jurisdiction in which the nature of its business or the character of its properties makes such qualification necessary,

except where the failure to do so would not have a material adverse effect on Seller or any of the Assets.

4.2 Authority and Enforceability. Seller has the requisite power and authority to enter into this Agreement and each of the Bill of Sale and the Assignment and Assumption Agreement (as such terms are defined in Section 6.2) to which each is a party (collectively the "**Ancillary Agreements**"), and to perform its obligations hereunder and thereunder. Seller has taken all necessary action on its part to authorize the execution and delivery of this Agreement and each Ancillary Agreement to which it is a party and the performance of its obligations hereunder and thereunder. This Agreement and each Ancillary Agreement to which it is a party has been duly and validly executed and delivered by Seller and is the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms.

4.3 No Violation, Etc. The execution and delivery of this Agreement and each Ancillary Agreement to which it is a party, and the performance of the obligations hereunder and thereunder by Seller does not and will not (a) violate or conflict with any provision of the charter documents of Seller, (b) violate, or conflict with, or result in a breach of any provision of, or constitute a default or give rise to any right of termination, cancellation or acceleration (with the passage of time, notice or both) under any agreement, lease, instrument, obligation, understanding or arrangement, oral or written, to which Seller or any of its Affiliates is a party or by which any of Seller's properties or assets is subject, including the Assets, (c) violate any Applicable Law to which Seller or any of its properties or assets are subject or (d) result in any Lien on the Assets. Without limiting the foregoing, Seller has not granted any right to any Third Party which would conflict with the conveyance of the Assets to Buyer.

4.4 No Consents and Approvals. Except for the consents of Nexgen, Athyrium Capital Management and the Former Manchester Members as provided in Section 4.7, no permit, consent, approval or authorization of, or notice, declaration, filing or registration with, any governmental authority or Third Party is or will be necessary in connection with the execution and delivery by Seller of this Agreement and each Ancillary Agreement to which it is a party or the performance by Seller of its obligations hereunder and thereunder.

4.5 Litigation. There is no litigation, proceeding, investigation, arbitration or claim pending against the Seller or its Affiliates or, to Seller's knowledge, threatened with respect to the Assets or the transactions contemplated herein.

4.6 Assets. Seller has, and on the Closing Date will convey and transfer to Buyer hereby, good, complete and legal title to each and all of the Assets, free and clear of any and all Liens.

4.7 Assigned Contract. Seller has delivered to Buyer true, correct and complete copies of the Nexgen Agreement (the "**Assigned Contract**") (including amendments thereto). The Assigned Contract is a valid and binding obligation of the parties thereto, enforceable in accordance with its terms. Seller has duly performed all of its obligations under the Assigned Contract to the extent that such obligations to perform have accrued; and no breach or default, alleged breach or default, or event which would (with the passage of time, notice or both) constitute a breach or default thereunder has occurred. Seller has not received any notice of

default or breach (written or oral) under the Assigned Contract. The execution, delivery and performance of this Agreement or any Ancillary Agreement and consummation of the transactions contemplated hereby and thereby will not result in a breach of or default under the Assigned Contract, will not terminate of modify any rights of, or accelerate or augment any obligation of, Seller under the Assigned Contract and do not require any consent, approval, waiver or other action by any party to the Assigned Contract, except for the consent to assign the Assigned Contract by Nexgen. In accordance with the terms of this Agreement, at the Closing, Seller's rights under the Assigned Contract shall be assigned hereby to Buyer, and Buyer shall have the right to exercise the rights and privileges of Seller under such Assigned Contract pursuant to its terms.

4.8 Intentionally Omitted.

4.9 Solvency. Upon and immediately following the Closing Date, after giving effect to all of the transactions contemplated by and in this Agreement (including the payment of the Consideration and the assumption by Buyer of the Assumed Liabilities in accordance herewith), Seller will not be insolvent and Seller will have sufficient capital to continue in business and pay its debts as they become due.

4.10 Exclusive Representations and Warranties. Other than the express representations and warranties set forth in this Article 4 or in any Ancillary Agreement, Seller is not making any representations or warranties, express or implied.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Seller as follows:

5.1 Organization. Buyer is a stock corporation organized, validly existing and in good standing under the laws of Switzerland. Buyer has the requisite power and authority to own, lease and operate the properties now owned, leased and operated by it and to carry on its businesses as currently conducted. Buyer is duly qualified to do business as a foreign entity in each jurisdiction in which the nature of its business or the character of its properties makes such qualification necessary, except where the failure to do so would not have a material adverse effect on Buyer.

5.2 Authority and Enforceability. Buyer has the requisite power and authority to enter into this Agreement and each Ancillary Agreement to which it is a party and to perform its obligations hereunder and thereunder. Buyer has taken all necessary action on its part to authorize the execution and delivery of this Agreement and each Ancillary Agreement to which it is a party and the performance of its obligations hereunder and thereunder. This Agreement and each Ancillary Agreement to which it is a party has been duly and validly executed and delivered by Buyer and is the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms.

5.3 No Violation, Etc. The execution and delivery of this Agreement and each Ancillary Agreement to which it is a party and the performance of the obligations hereunder and thereunder by Buyer does not and will not (a) violate or conflict with any provision of the charter

documents of Buyer, (b) violate, or conflict with, or result in a breach of any provision of, or constitute a default or give rise to any right of termination, cancellation or acceleration (with the passage of time, notice or both) under any agreement, lease, instrument, obligation, understanding or arrangement, oral or written, to which Buyer or any of its Affiliates is a party or by which any of Buyer's properties or assets is subject or (c) violate any Applicable Law to which Buyer or any of its properties or assets are subject.

5.4 No Consents and Approvals. No permit, consent, approval or authorization of, or notice, declaration, filing or registration with, any governmental authority or Third Party is or will be necessary in connection with the execution and delivery by Buyer of this Agreement and each Ancillary Agreement to which it is a party or the performance by Buyer of its obligations hereunder and thereunder.

5.5 Litigation. There is no litigation, proceeding, investigation, arbitration or claim pending against Buyer or its Affiliates or, to Buyer' knowledge, threatened with respect to the transactions contemplated herein.

5.6 Exclusive Representations and Warranties. Other than the express representations and warranties set forth in this Article 5 or in any Ancillary Agreement, Buyer is not making any representations or warranties, express or implied.

ARTICLE 6
CLOSING

6.1 Closing. The consummation of the transactions contemplated herein (the "**Closing**") will take place on the date hereof at the offices of Reitler Kailas & Rosenblatt LLC, 885 Third Avenue, New York, New York 10022, or at such other time and place as agreed to by Buyer and Seller in writing. The date on which the Closing actually occurs is referred to herein as the "**Closing Date**".

6.2 Closing Deliverables.

(a) Seller's Deliverables. At the Closing, Seller shall deliver or have delivered to Buyer the following:

(i) A Certificate, in a form reasonably satisfactory to Buyer, executed by an executive officer of Seller and dated as of the Closing Date, certifying that (A) each of the representations and warranties of Seller set forth in this Agreement is true and correct as of the Closing Date as though made on and as of the Closing Date, and (B) Seller has performed or complied with all obligations, conditions and covenants required to be performed by it under this Agreement at or prior to the Closing.

(ii) Bill of Sale, executed by Seller and dated as of the Closing Date, in the form of Exhibit A hereto (the "**Bill of Sale**");

(iii) Assignment and Assumption Agreement related to the Assigned Contract, executed by Seller and dated as of the Closing Date, in the form of Exhibit B hereto (the "**Assignment and Assumption Agreement**"); and

(iv) The consent from Athyrium Capital Management set forth in Section 4.4.

(b) Buyer's Deliverables. At the Closing, Buyer shall have delivered to Seller the following:

(i) A Certificate, in a form reasonably satisfactory to Seller, executed by an executive officer of Buyer and dated of the Closing Date, certifying that (A) each of the representations and warranties of Buyer set forth in this Agreement is true and correct, in all material respects, as of the Closing Date as though made on and as of the Closing Date, and (B) Buyer has performed or complied with, in all material respects, all obligations, conditions and covenants required to be performed by it under this Agreement at or prior to the Closing.

(ii) The Consideration;

(iii) Assignment and Assumption Agreement, executed by Buyer and dated as of the Closing Date;

(iv) Buyer's arrangements for collection of the Assets; and

(v) The consent from Nexgen set forth in Section 4.4.

6.3 Conditions to Obligations of Buyer. The obligations of Buyer to purchase the Assets, to assume the Assumed Liabilities and to consummate the other transactions contemplated by this Agreement are subject to the satisfaction on and as of the Closing Date of each of the following conditions (or Buyer's expressed waiver of such condition in writing):

(a) Representations and Warranties. The representations and warranties of Seller set forth in this Agreement shall be true and correct, in all material respects, as of the Closing Date.

(b) Performance of Obligations of Seller. Seller shall have performed or complied in all material respects with all obligations, conditions and covenants required to be performed by it under this Agreement at or prior to the Closing.

(c) Consents. The consents set forth in Section 4.4 shall have been obtained from Nexgen and Athyrium Capital Management.

(d) No Injunction. There shall not have been issued and in effect any injunction or similar legal order prohibiting or restraining consummation the transaction contemplated by this Agreement.

(e) Closing Deliverables. On or before the Closing, Buyer shall have received from Seller each of the deliverables set forth in Section 6.2(a) above.

6.4 Conditions to the Obligations of Seller. The obligations of Seller to sell, assign, convey and deliver the Assets hereof are subject to the satisfaction on and as of the Closing of each of the following conditions (or Seller's expressed waiver of such condition in writing):

(a) Representations and Warranties. The representations and warranties of Buyer set forth in this Agreement shall be true and correct in all material respects as of the Closing.

(b) Performance of Obligations of Buyer. Buyer shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date.

(c) Consents. The consents set forth in Section 4.4 shall have been obtained from Nexgen and Athyrium Capital Management.

(d) No Injunction. There shall not have been issued and in effect any injunction or similar legal order prohibiting or restraining consummation the transaction contemplated by this Agreement.

(e) Closing Deliverables. On or before the Closing, Seller shall have received from Buyer each of the deliverables set forth in Section 6.2(b) above.

ARTICLE 7
POST-CLOSING COVENANTS AND AGREEMENTS

7.1 Additional Deliveries. For no additional consideration, from time to time, on and after the Closing Date, at Buyer's request, Seller shall execute and deliver such additional or confirmatory instruments, documents of conveyance, endorsements, assignments and acknowledgments as are necessary to evidence or vest in Buyer sole and exclusive title in and to the Assets.

7.2 Technology Transfer. Seller agrees to provide its personnel as reasonably requested by Buyer to assist Buyer in the transfer of the Assets and technology related to the Assets to Buyer or such third parties as Buyer may designate (the "**Tech Transfer**"). Buyer shall bear all costs related to the Tech Transfer at a rate of One Hundred Thousand Dollars ($100,000) per Seller employee full-time equivalent. Any Tech Transfer costs hereunder and under any other asset purchase agreement between Seller and Buyer in excess of Twenty-Five Thousand Dollars ($25,000) shall require the prior written approval of Buyer. Seller's obligation to provide Tech Transfer assistance shall terminate on the six (6) month anniversary of the Closing Date.

7.3 Call Center. Seller agrees to authorize The Medical Affairs Company ("**TMAC**") to transfer to Buyer all rights in and to the existing FAQs and Standard Responses related to the Product heretofore developed by TMAC for Seller upon Buyer's entry into an agreement with TMAC to provide call center services related to the Product for Buyer.

ARTICLE 8
INDEMNIFICATION

8.1 By Seller. From and after the Closing Date, to the extent provided in this Article 8, Seller shall indemnify, defend and hold harmless Buyer and its Affiliates and their respective officers, directors, employees, agents, successors and assigns from and against any claims, suits or proceedings and any damages or liability therefrom or settlement thereof (including reasonable fees of attorneys and related costs) to the extent arising out of or related to (a) any breach of any representation, warranty, covenant or agreement of Seller contained in herein and (b) any Excluded Liability.

8.2 By Buyer. From and after the Closing Date, to the extent provided in this Article 8, Buyer shall indemnify, defend and hold harmless Seller and its Affiliates and their respective officers, directors, employees, agents, successors and assigns from and against any claims, suits or proceedings and any damages or liability therefrom or settlement thereof (including reasonable fees of attorneys and related costs) to the extent arising out of or related to (a) any breach of any representation, warranty, covenant or agreement of Buyer contained in this Agreement and (b) any Assumed Liability.

8.3 Indemnification Procedures. A Party (the "**Indemnitee**") that intends to claim indemnification under this Article 8 shall promptly notify the other Party (the "**Indemnitor**") in writing of any action, claim or liability in respect to which the Indemnitee or any of its Affiliates or its or their respective officers, directors, employees or agents intends to claim such indemnification. The Indemnitee shall permit and shall cause its employees and agents to permit, the Indemnitor, at its discretion, to settle any such action, claim or liability and agrees to the complete control of such defense or settlement by the Indemnitor; provided, however, that such settlement does not materially and adversely affect the Indemnitee's rights hereunder or impose any obligations on the Indemnitee in addition to those set forth herein. No such action, claim or liability shall be settled by the Indemnitee without the prior written consent of the Indemnitor (which consent shall not be unreasonably withheld, delayed or conditioned), and the Indemnitor shall not be responsible for any fees or other costs incurred other than as provided herein. The Indemnitee, its employees, agents and Affiliates shall cooperate fully with the Indemnitor and its legal representatives in the investigation and defense of any action, claim or liability covered by this indemnification. The Indemnitee shall have the right, but not the obligation to be represented by counsel of its own selection at its own expense.

ARTICLE 9
DISPUTE RESOLUTION

9.1 Arbitration.

(a) Any dispute arising out of or relating to this Agreement (including the Exhibits and Schedules referenced herein, the Ancillary Agreements and the other specific agreements contemplated herein or thereby) that cannot be resolved in thirty (30) days through good faith negotiation and discussion among the Parties shall be finally settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules then in effect (the **"Arbitration Rules"**). The arbitration shall be conducted in the County and

State of New York, unless otherwise agreed by the Parties in writing. The arbitration shall be conducted in the English language.

(b) The arbitration shall be conducted by a single, neutral arbitrator ("**Arbitrator**") selected as follows: Within ten (10) days after receipt of an arbitration notice from a Party, the Parties shall attempt in good faith to agree on an Arbitrator. If the Parties do not agree on an Arbitrator within ten (10) days after receipt of an arbitration notice, the Parties shall exchange lists containing the names of three (3) candidates proposed by each Party to serve in such capacity. No later than the five (5) days after the exchange of each Party's list of candidates, each Party shall deliver to the other a list ranking all six (6) candidates proposed by the Parties in order of preference (one (1) being the most preferred and six (6) being the least preferred). The candidate with the lowest aggregate ranking on the Parties' lists shall serve as the Arbitrator (with the candidate whose last name comes first alphabetically being chosen in case of a tie). If any candidate selected in accordance with the procedures provided in this Section is unable or unwilling to act as the Arbitrator, the candidate whose ranking is next lowest shall be approached until an Arbitrator is selected. If none of the candidates proposed by the Parties is capable or willing to serve as the Arbitrator, the Parties may either agree to repeat the process until an Arbitrator is selected or, at the election of either Party, proceed in accordance with the Arbitration Rules.

(c) The decision or award of the Arbitrator shall be final, binding and incontestable and may be used as a basis for judgment thereon in any jurisdiction. The Parties hereby expressly agree to waive the right to appeal from the decision of the Arbitrator. Accordingly, there shall be no appeal to any court or other authority (government or private) from the decision of the Arbitrator, and the Parties shall not dispute nor question the validity of such decision or award before any regulatory or other authority in any jurisdiction where enforcement action is taken by the Party in whose favor the decision or award is rendered, except in the case the decision or award was procured by fraud. The Arbitrator shall, upon the request of either Party, issue a written opinion of the findings of fact and conclusions of law and shall deliver a copy to each of the Parties. Each Party shall bear its own costs and attorneys' fees, and the Parties shall equally bear the fees, costs, and expenses of the Arbitrator and the arbitration proceedings; provided, however, that the Arbitrator may exercise discretion to award costs, including reasonable and necessary attorneys' fees, to the prevailing Party.

9.2 Jurisdiction/Venue/Enforcement of Award. The Parties consent and submit to the exclusive personal jurisdiction and venue of the Supreme Court of the State of New York and the United States District Court for the Southern District of New York, each located in County of New York, State of New York, to compel arbitration in accordance with this Agreement, to enforce any arbitration award granted pursuant to this Agreement, including, any award granting equitable or injunctive relief, and to otherwise enforce this Agreement and carry out the intentions of the Parties to resolve all disputes arising under or in connection with this Agreement through arbitration.

ARTICLE 10
MISCELLANEOUS

10.1 Confidentiality.

(a) Each Party will treat as confidential the Confidential Information of the other Party, and will take all necessary precautions to assure the confidentiality of such Confidential Information. Each Party agrees to return to the other Party upon the expiration or termination of this Agreement all Confidential Information acquired from such other Party, except as to such information it may be required to retain under Applicable Laws, and except for one copy of such information to be retained by such Party solely to enable it to assess its compliance with the confidentiality provisions of this Section 10.1. From the date hereof through the period ending ten (10) years after the Closing Date (or the termination date if this Agreement is terminated prior to Closing pursuant to Article 7), neither Party shall, without the other Party's express prior written consent, use or disclose any such Confidential Information for any purpose other than to carry out its obligations hereunder. Each Party, prior to disclosure of Confidential Information of the other Party to any employee, consultant or advisor shall ensure that such Person is bound in writing to observe the confidentiality such Party's Confidential Information on terms no less restrictive than those contained herein. The obligations of confidentiality shall not apply to Confidential Information that the receiving Party is required by law or regulation to disclose, provided however that the receiving Party shall so notify the disclosing Party of its intent and cooperate with the disclosing Party on reasonable measures to protect the confidentiality of the Confidential Information. Seller hereby acknowledges and agrees that any Confidential Information of Seller on or before the Closing Date included in the Assets shall be Buyer's Confidential Information after the Closing Date.

10.2 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute a single document.

10.3 Entire Agreement. This Agreement, and the Exhibits and Schedules referenced herein, that certain Summary Separation Proposal between Retrophin and Buyer's Chief Executive Officer dated October 13, 2014, the Ancillary Agreements and the other specific agreements contemplated herein or thereby contain the entire agreement between the Parties with respect to the subject matter hereof and supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter.

10.4 Exhibits and Schedules. The Exhibits and Schedules referenced herein and attached hereto are incorporated into this Agreement by reference.

10.5 Governing Law. This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of New York irrespective of the choice of laws principles of the State of New York.

10.6 Assignability. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Neither Party may assign its respective rights or delegate its respective obligations under this Agreement without the express

prior written consent of the other Party; provided that either Party may assign or transfer this Agreement, to an Affiliate (provided the assigning Party remains liable hereunder), or to any Third Party in connection with the sale or transfer of the business to which this Agreement relates.

10.7 Third Party Beneficiaries. Nothing in this Agreement shall be deemed to create any third party beneficiary rights in or on behalf of any other Person.

10.8 Notices. All notices required to be given hereunder shall be in writing and shall be given by personal delivery, by an internationally recognized overnight carrier or by registered or certified mail, postage prepaid with return receipt requested. All notices hereunder shall be addressed as follows:

If to Seller, to:	Retrophin, Inc. 12255 El Camino Real San Diego, CA 92130 Attention: General Counsel
If to Buyer, to:	Turing Pharmaceuticals AG 101 Avenue of the Americas, 9th Floor New York, New York 10013 Attention: Chief Executive Officer
With a copy to:	Reitler Kailas & Rosenblatt LLC 885 Third Avenue, 20th Floor New York, New York 10022 Attention: Michael Hirschberg, Esq.

Either Party may, by notice to the other Parties given in the form specified in this Section 10.8, change the address to which such notices are to be given. Notices delivered personally shall be deemed communicated as of actual receipt; notices sent via overnight courier shall be deemed received three (3) Business Days following sending; and notices mailed shall be deemed communicated as of seven (7) Business Days after mailing. A Party may change its address by written notice in accordance with this Section 10.8.

10.9 Severability. If any provision of this Agreement shall be held invalid, illegal or unenforceable, the validity, legality or unenforceability of the other provisions of this Agreement shall not be affected thereby, and there shall be deemed substituted for the provision at issue a valid, legal and enforceable provision as similar as possible to the provision at issue.

10.10 Survival. Except as expressly set forth herein, the covenants, representations and warranties contained in this Agreement, and liability for the breach of any obligations contained herein, shall survive the Closing Date and shall remain in full force and effect.

10.11 No Implied Waiver. No failure or delay on the part of the Parties hereto to exercise any right, power or privilege hereunder or under any instrument executed pursuant hereto shall operate as a waiver; nor shall any single or partial exercise of any right, power or

privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

10.12 Amendments. Any amendment or modification of this Agreement shall only be valid if made in writing and signed by the Parties hereto.

10.13 Independent Contractors. The relationship between Seller on the one hand and Buyer on the other had is that of independent contractors and nothing herein shall be deemed to constitute the relationship of partners, joint venturers nor of principal and agent between Seller on the one hand and Buyer on the other hand.

10.14 Expenses. Except as expressly set forth herein, each Party shall pay all of its own fees and expenses (including all legal, accounting and other advisory fees) incurred in connection with the negotiation and execution of this Agreement and the arrangements contemplated hereby.

10.15 Representation By Counsel; Interpretation. Seller and Buyer each acknowledges that it has been represented by its own legal counsel in connection with this Agreement and the transactions contemplated by this Agreement. Accordingly, any rule of law, or any legal decision that would require interpretation of any claimed ambiguities in this Agreement against the Party that drafted it, has no application and is expressly waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the intent of Seller and Buyer.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, the Parties, intending to be bound hereby, have executed this Agreement as of the date first written above.

"Seller"

RETROPHIN, INC.

By: /s/ Margaret Valeur-Jensen
Title: General Counsel

MANCHESTER PHARMACEUTICALS LLC

By: /s/ Margaret Valeur-Jensen
Title: General Counsel

"Buyer"

TURING PHARMACEUTICALS AG

By: /s/ Martin Shkreli
Title: Chief Executive Officer

EXHIBIT A

FORM OF BILL OF SALE

EXHIBIT B

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

Exhibit 10.3

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "**Agreement**") is made as of February 12, 2015, by and between **Retrophin, Inc.**, a Delaware corporation ("**Retrophin**" or "**Seller**") and **Turing Pharmaceuticals AG**, a stock corporation organized under the laws of Switzerland ("**Buyer**"). Buyer and Seller may be referred to herein collectively as the "**Parties**" and individually as a "**Party**."

RECITALS

WHEREAS, Buyer is interested in acquiring from Seller the Assets (as defined in Section 2.1 below) related to Syntocinon (the "**Product**") developed pursuant to that certain License Agreement made as of December 12, 2013 by and between Novartis Pharma AG and Novartis AG (collectively, "**Novartis**") and Seller (the "**Novartis Agreement**").

WHEREAS, Seller desires to assign all of its rights, interests and obligations under the Novartis Agreement and convey all of the Assets to Buyer, and Buyer desires to purchase the Assets from Seller and assume the Product rights, interests and obligations under the Novartis Agreement, all on the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of these premises, the respective covenants of Buyer and Seller set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Definitions. In addition to the other capitalized terms defined herein, the following capitalized terms shall have the following respective meanings:

"**Affiliate**" means, with respect to any Party, any Person that, directly or indirectly, controls, is controlled by, or is under common control with such Party at any time during the period for which the determination of affiliation is being made. For the purposes of this definition, "**control**" (with correlative meanings for the terms "**controlled by**" and "**under common control with**") means the possession by the applicable Person, directly or indirectly, of the power to direct or cause the direction of the management, policies and business affairs of a Person, whether through ownership of voting securities or general partnership or managing member interests, by contract or otherwise.

"**Applicable Laws**" means all applicable laws, rules, regulations and guidelines that may apply to the development, manufacture, use, sale, offer for sale or distribution of Product, or the performance of any Party's obligations under this Agreement.

"**Business Day**" means any day other than a Saturday, Sunday or a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to close.

"**Confidential Information**" means any information that (i) in any way relates to a Party or Affiliate thereof, including its products, business, know-how, business strategies and technology and (ii) is furnished or disclosed to the other Party in connection with this Agreement, and is identified as "confidential" (or words of similar import) upon such disclosure; provided, however, that the term "Confidential Information" shall not include any specific information that:

(A) at the time of disclosure, is generally available to the public;

(B) after disclosure hereunder, becomes generally available to the public, except as a result of a breach of this Agreement by the recipient of such information;

(C) becomes available to the recipient of such information from a Third Party that is not legally or contractually prohibited by the disclosing Party from disclosing such Confidential Information; or

(D) the recipient of which can demonstrate was developed by or for such recipient without the use of any of the Confidential Information of the disclosing Party or its Affiliates hereunder.

"**Liens**" means any mortgages, security interests, liens, options, pledges, equities, claims, charges, restrictions, conditions, conditional sale contracts and any other adverse interests or other encumbrances of any kind whatsoever.

"**Person**" means any individual, partnership, association, corporation, limited liability company, trust or other legal person or entity.

"**Territory**" means the United States and its territories and possessions.

"**Third Party**" means any Person other than a Party and such Party's Affiliates.

1.2 Interpretation. Unless the context of this Agreement otherwise requires (a) words of any gender include each other gender, (b) words using the singular or plural number also include the plural or singular number, respectively, (c) the terms "hereof," "herein," "hereby" and derivative or similar words refer to this entire Agreement, (d) the terms "Article," "Section" and "Exhibit" refer to the specified Article, Section and Exhibit of this Agreement and (e) the terms "include," "includes" or "including," shall be deemed to be followed by the words "without limitation" unless otherwise indicated. Whenever this Agreement refers to a number of days, unless otherwise specified, such number shall refer to calendar days. The headings in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

ARTICLE 2
SALE AND PURCHASE OF PURCHASED ASSETS

2.1 Conveyance of Assets. Upon the terms and subject to the conditions of this Agreement, on the Closing Date, Seller shall irrevocably sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase, acquire and accept, free and clear of any and all Liens, all

right, title and interest of Seller in and to the Novartis Agreement and the following assets related to the Product in the Territory (collectively, the "**Assets**"):

(a) Market research and forecast – milk let down;

(b) Synopsis – low birth weight infants;

(c) Synopsis – phase 1 study;

(d) Briefing document and FDA minutes;

(e) Number of investigator proposals for other indications;

(f) 450 nasal spray vials of active and 450 nasal spray vials of placebo currently at Kydes;

(g) 17,500 nasal spray vials of placebo and in-process run for 17,500 nasal spray vials; and

(h) Pending order of 28g of raw material.

2.2 Assumed Liabilities. Upon the terms and subject to the conditions of this Agreement, on the Closing Date, Buyer shall assume, be responsible for and pay, perform and discharge when due the liabilities expressly set forth below (the "**Assumed Liabilities**"):

(a) The Three Million Dollar ($3,000,000) annual milestone payment arising under Section 10.1(b) of the Novartis Agreement that was due on December 12, 2014;

(b) Any and all liabilities of Seller arising under the Novartis Agreement that accrue from and after the Closing Date; and

(c) The cost of items (g) and (h) in Section 2.1 above.

2.3 Excluded Liabilities. Except for the Assumed Liabilities, Buyer shall not assume or be liable for any liabilities of Seller or its respective Affiliates (fixed, contingent or otherwise, and whether or not accrued) arising from or related to the Product, the Assets or otherwise (the "**Excluded Liabilities**").

2.4 Transfer Taxes and Fees. Any and all sales, excise, use, value-added and similar taxes, fees or duties assessed or incurred by reason of the sale by Seller and the purchase by Buyer of the Assets hereunder shall be paid by Seller (and not by Buyer), regardless of which Party against which such taxes, fees or duties are assessed.

ARTICLE 3
CONSIDERATION

3.1 Consideration. Subject to the terms and conditions of this Agreement, **t**he consideration (the "**Consideration**") for the transfer and conveyance of the Assets to Buyer in accordance with Article 2 shall be One Million Dollars ($1,000,000) plus One Hundred Ten

Thousand Nine Hundred Thirty One and 20/100 Dollars ($110,931.20), representing the cost of items (g) and (h) in Section 2.1 above, payable by wire transfer of immediately available funds to the account or accounts designated in writing by Seller.

3.2 Allocation of Consideration. The Consideration shall be allocated among the Assets as of the Closing Date in accordance with Applicable Laws. The Parties each agree to (a) report (and to cause its respective Affiliates to report) the transactions contemplated by this Agreement in a manner consistent with Applicable Law and with the terms of this Agreement and (b) not to take any position inconsistent therewith in any tax return, in any tax refund claim, in any litigation or otherwise. For tax purposes, the Parties each agree to treat the transfer of the Assets to Buyer in part as a sale of the Assets to Buyer and in part as a contribution of the Assets to Buyer under Section 721 of the U.S. Internal Revenue Code (and comparable provisions of applicable U.S., state, local and non-U.S. tax laws).

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF SELLER

Seller hereby represents and warrants to Buyer as follows:

4.1 Organization; Subsidiary. Seller is a business entity duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is formed or incorporated. Seller has the requisite power and authority to own, lease and operate the properties now owned, leased and operated by it and to carry on its business as currently conducted. Seller is duly qualified to do business as a foreign entity in each jurisdiction in which the nature of its business or the character of its properties makes such qualification necessary, except where the failure to do so would not have a material adverse effect on Seller or any of the Assets.

4.2 Authority and Enforceability. Seller has the requisite power and authority to enter into this Agreement and each of the Bill of Sale and the Assignment and Assumption Agreement (as such terms are defined in Section 6.2) to which each is a party (collectively the "**Ancillary Agreements**"), and to perform its obligations hereunder and thereunder. Seller has taken all necessary action on its part to authorize the execution and delivery of this Agreement and each Ancillary Agreement to which it is a party and the performance of its obligations hereunder and thereunder. This Agreement and each Ancillary Agreement to which it is a party has been duly and validly executed and delivered by Seller and is the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms.

4.3 No Violation, Etc. The execution and delivery of this Agreement and each Ancillary Agreement to which it is a party, and the performance of the obligations hereunder and thereunder by Seller does not and will not (a) violate or conflict with any provision of the charter documents of Seller, (b) violate, or conflict with, or result in a breach of any provision of, or constitute a default or give rise to any right of termination, cancellation or acceleration (with the passage of time, notice or both) under any agreement, lease, instrument, obligation, understanding or arrangement, oral or written, to which Seller is a party or by which any of Seller's properties or assets is subject, including the Assets, (c) violate any Applicable Law to

which Seller or any of its properties or assets are subject or (d) result in any Lien on the Assets. Without limiting the foregoing, Seller has not granted any right to any Third Party which would conflict with the conveyance of the Assets to Buyer.

4.4 No Consents and Approvals. Except for the consents of Novartis and Athyrium Capital Management as provided in Section 4.7, no permit, consent, approval or authorization of, or notice, declaration, filing or registration with, any governmental authority or Third Party is or will be necessary in connection with the execution and delivery by Seller of this Agreement and each Ancillary Agreement to which it is a party or the performance by Seller of its obligations hereunder and thereunder.

4.5 Litigation. There is no litigation, proceeding, investigation, arbitration or claim pending against Seller or, to Seller's knowledge, threatened with respect to the Assets or the transactions contemplated herein.

4.6 Assets. Seller has, and on the Closing Date will convey and transfer to Buyer hereby, good, complete and legal title to each and all of the Assets, free and clear of any and all Liens.

4.7 Assigned Contract. Seller has delivered to Buyer a true, correct and complete copy of the Novartis Agreement (the "**Assigned Contract**") (including amendments thereto). The Assigned Contract is a valid and binding obligation of the parties thereto, enforceable in accordance with its terms. Except for the non-payment of the amount referred to in Section 2.2(a) hereof, (a) Seller has duly performed all of its obligations under the Assigned Contract to the extent that such obligations to perform have accrued, (b) no breach or default, alleged breach or default, or event which would (with the passage of time, notice or both) constitute a breach or default thereunder has occurred and (c) Seller has not received any notice of default or breach (written or oral) under the Assigned Contract. The execution, delivery and performance of this Agreement or any Ancillary Agreement and consummation of the transactions contemplated hereby and thereby will not result in a breach of or default under the Assigned Contract, will not terminate of modify any rights of, or accelerate or augment any obligation of, Seller under the Assigned Contract and do not require any consent, approval, waiver or other action by any party to the Assigned Contract, except for the consent to assign the Assigned Contract by Novartis. In accordance with the terms of this Agreement, at the Closing, Seller's rights under the Assigned Contract shall be assigned hereby to Buyer, and Buyer shall have the right to exercise the rights and privileges of Seller under the Assigned Contract pursuant to its terms.

4.8 Solvency. Upon and immediately following the Closing Date, after giving effect to all of the transactions contemplated by and in this Agreement (including the payment of the Closing Date Payment and the assumption by Buyer of the Assumed Liabilities in accordance herewith), Seller will not be insolvent and Seller will have sufficient capital to continue in business and pay its debts as they become due.

4.9 Exclusive Representations and Warranties. Other than the express representations and warranties set forth in this Article 4 or in any Ancillary Agreement, Seller is not making any representations or warranties, express or implied.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Seller as follows:

5.1 Organization. Buyer is a stock corporation organized, validly existing and in good standing under the laws of Switzerland. Buyer has the requisite power and authority to own, lease and operate the properties now owned, leased and operated by it and to carry on its businesses as currently conducted. Buyer is duly qualified to do business as a foreign entity in each jurisdiction in which the nature of its business or the character of its properties makes such qualification necessary, except where the failure to do so would not have a material adverse effect on Buyer.

5.2 Authority and Enforceability. Buyer has the requisite power and authority to enter into this Agreement and each Ancillary Agreement to which it is a party and to perform its obligations hereunder and thereunder. Buyer has taken all necessary action on its part to authorize the execution and delivery of this Agreement and each Ancillary Agreement to which it is a party and the performance of its obligations hereunder and thereunder. This Agreement and each Ancillary Agreement to which it is a party has been duly and validly executed and delivered by Buyer and is the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms.

5.3 No Violation, Etc. The execution and delivery of this Agreement and each Ancillary Agreement to which it is a party and the performance of the obligations hereunder and thereunder by Buyer does not and will not (a) violate or conflict with any provision of the charter documents of Buyer, (b) violate, or conflict with, or result in a breach of any provision of, or constitute a default or give rise to any right of termination, cancellation or acceleration (with the passage of time, notice or both) under any agreement, lease, instrument, obligation, understanding or arrangement, oral or written, to which Buyer or any of its Affiliates is a party or by which any of Buyer's properties or assets is subject or (c) violate any Applicable Law to which Buyer or any of its properties or assets are subject.

5.4 No Consents and Approvals. No permit, consent, approval or authorization of, or notice, declaration, filing or registration with, any governmental authority or Third Party is or will be necessary in connection with the execution and delivery by Buyer of this Agreement and each Ancillary Agreement to which it is a party or the performance by Buyer of its obligations hereunder and thereunder.

5.5 Litigation. There is no litigation, proceeding, investigation, arbitration or claim pending against Buyer or its Affiliates or, to Buyer' knowledge, threatened with respect to the transactions contemplated herein.

5.6 Exclusive Representations and Warranties. Other than the express representations and warranties set forth in this Article 5 or in any Ancillary Agreement, Buyer is not making any representations or warranties, express or implied.

ARTICLE 6
CLOSING

6.1 Closing. The consummation of the transactions contemplated herein (the "**Closing**") will take place on the date hereof at the offices of Reitler Kailas & Rosenblatt LLC, 885 Third Avenue, New York, New York 10022, or at such other time and place as agreed to by Buyer and Seller in writing. The date on which the Closing actually occurs is referred to herein as the "**Closing Date**".

6.2 Closing Deliverables.

(a) Seller's Deliverables. At the Closing, Seller shall deliver or have delivered to Buyer the following:

(i) A Certificate, in a form reasonably satisfactory to Buyer, executed by an executive officer of Seller and dated as of the Closing Date, certifying that (A) each of the representations and warranties of Seller set forth in this Agreement is true and correct as of the Closing Date as though made on and as of the Closing Date, and (B) Seller has performed or complied with all obligations, conditions and covenants required to be performed by it under this Agreement at or prior to the Closing.

(ii) Bill of Sale, executed by Seller and dated as of the Closing Date, in the form of Exhibit A hereto (the "**Bill of Sale**");

(iii) Assignment and Assumption Agreement related to the Assigned Contract, executed by Seller and dated as of the Closing Date, in the form of Exhibit B hereto (the "**Assignment and Assumption Agreement**"); and

(iv) The consent from Athyrium Capital Management set forth in Section 4.4.

(b) Buyer's Deliverables. At the Closing, Buyer shall have delivered to Seller the following:

(i) A Certificate, in a form reasonably satisfactory to Seller, executed by an executive officer of Buyer and dated of the Closing Date, certifying that (A) each of the representations and warranties of Buyer set forth in this Agreement is true and correct, in all material respects, as of the Closing Date as though made on and as of the Closing Date, and (B) Buyer has performed or complied with, in all material respects, all obligations, conditions and covenants required to be performed by it under this Agreement at or prior to the Closing;

(ii) Assignment and Assumption Agreement, executed by Buyer and dated as of the Closing Date;

(iii) Buyer's arrangements for collection of the Assets;

(iv) The consent from Novartis set forth in Section 4.4.

6.3 Conditions to Obligations of Buyer. The obligations of Buyer to purchase the Assets, to assume the Assumed Liabilities and to consummate the other transactions contemplated by this Agreement are subject to the satisfaction on and as of the Closing Date of each of the following conditions (or Buyer's expressed waiver of such condition in writing):

(a) Representations and Warranties. The representations and warranties of Seller set forth in this Agreement shall be true and correct, in all material respects, as of the Closing Date.

(b) Performance of Obligations of Seller. Seller shall have performed or complied in all material respects with all obligations, conditions and covenants required to be performed by it under this Agreement at or prior to the Closing.

(c) Consents. The consents set forth in Section 4.4 shall have been obtained from Novartis and Athyrium Capital Management.

(d) No Injunction. There shall not have been issued and in effect any injunction or similar legal order prohibiting or restraining consummation the transaction contemplated by this Agreement.

(e) Closing Deliverables. On or before the Closing, Buyer shall have received from Seller each of the deliverables set forth in Section 6.2(a) above.

6.4 Conditions to the Obligations of Seller. The obligations of Seller to sell, assign, convey and deliver the Assets hereof are subject to the satisfaction on and as of the Closing of each of the following conditions (or Seller's expressed waiver of such condition in writing):

(a) Representations and Warranties. The representations and warranties of Buyer set forth in this Agreement shall be true and correct in all material respects as of the Closing.

(b) Performance of Obligations of Buyer. Buyer shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date.

(c) Consents. The consents set forth in Section 4.4 shall have been obtained from Novartis and Athyrium Capital Management.

(d) No Injunction. There shall not have been issued and in effect any injunction or similar legal order prohibiting or restraining consummation the transaction contemplated by this Agreement.

(e) Closing Deliverables. On or before the Closing, Seller shall have received from Buyer each of the deliverables set forth in Section 6.2(b) above.

ARTICLE 7
POST-CLOSING COVENANTS AND AGREEMENTS

7.1 Additional Deliveries. For no additional consideration, from time to time, on and after the Closing Date, at Buyer's request, Seller shall execute and deliver such additional or confirmatory instruments, documents of conveyance, endorsements, assignments and acknowledgments as are necessary to evidence or vest in Buyer sole and exclusive title in and to the Assets.

7.2 Intentionally Omitted.

7.3 Intentionally Omitted.

7.4 Intentionally Omitted.

7.5 Technology Transfer. Seller agrees to provide its personnel as reasonably requested by Buyer to assist Buyer in the transfer of the Assets and technology related to the Assets to Buyer or such third parties as Buyer may designate (the "**Tech Transfer**"). Buyer shall bear all costs related to the Tech Transfer at a rate of One Hundred Thousand Dollars ($100,000) per Seller employee full-time equivalent. Any Tech Transfer costs hereunder and under any other asset purchase agreement between Seller and Buyer in excess of Twenty-Five Thousand Dollars ($25,000) in the aggregate shall require the prior written approval of Buyer. Seller's obligation to provide Tech Transfer assistance shall terminate on the six (6) month anniversary of the Closing Date.

ARTICLE 8
INDEMNIFICATION

8.1 By Seller. From and after the Closing Date, to the extent provided in this Article 8, Seller shall indemnify, defend and hold harmless Buyer and its Affiliates and their respective officers, directors, employees, agents, successors and assigns from and against any claims, suits or proceedings and any damages or liability therefrom or settlement thereof (including reasonable fees of attorneys and related costs) to the extent arising out of or related to (a) any breach of any representation, warranty, covenant or agreement of Seller contained in herein and (b) any Excluded Liability.

8.2 By Buyer. From and after the Closing Date, to the extent provided in this Article 8, Buyer shall indemnify, defend and hold harmless Seller and its Affiliates and their respective officers, directors, employees, agents, successors and assigns from and against any claims, suits or proceedings and any damages or liability therefrom or settlement thereof (including reasonable fees of attorneys and related costs) to the extent arising out of or related to (a) any breach of any representation, warranty, covenant or agreement of Buyer contained in this Agreement and (b) any Assumed Liability.

8.3 Indemnification Procedures. A Party (the "**Indemnitee**") that intends to claim indemnification under this Article 8 shall promptly notify the other Party (the "**Indemnitor**") in writing of any action, claim or liability in respect to which the Indemnitee or any of its Affiliates or its or their respective officers, directors, employees or agents intends to claim such

indemnification. The Indemnitee shall permit and shall cause its employees and agents to permit, the Indemnitor, at its discretion, to settle any such action, claim or liability and agrees to the complete control of such defense or settlement by the Indemnitor; provided, however, that such settlement does not materially and adversely affect the Indemnitee's rights hereunder or impose any obligations on the Indemnitee in addition to those set forth herein. No such action, claim or liability shall be settled by the Indemnitee without the prior written consent of the Indemnitor (which consent shall not be unreasonably withheld, delayed or conditioned), and the Indemnitor shall not be responsible for any fees or other costs incurred other than as provided herein. The Indemnitee, its employees, agents and Affiliates shall cooperate fully with the Indemnitor and its legal representatives in the investigation and defense of any action, claim or liability covered by this indemnification. The Indemnitee shall have the right, but not the obligation to be represented by counsel of its own selection at its own expense.

ARTICLE 9
DISPUTE RESOLUTION

9.1 Arbitration.

(a) Any dispute arising out of or relating to this Agreement (including the Exhibits and Schedules referenced herein, the Ancillary Agreements and the other specific agreements contemplated herein or thereby) that cannot be resolved in thirty (30) days through good faith negotiation and discussion among the Parties shall be finally settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules then in effect (the **"Arbitration Rules"**). The arbitration shall be conducted in the County and State of New York, unless otherwise agreed by the Parties in writing. The arbitration shall be conducted in the English language.

(b) The arbitration shall be conducted by a single, neutral arbitrator ("**Arbitrator**") selected as follows: Within ten (10) days after receipt of an arbitration notice from a Party, the Parties shall attempt in good faith to agree on an Arbitrator. If the Parties do not agree on an Arbitrator within ten (10) days after receipt of an arbitration notice, the Parties shall exchange lists containing the names of three (3) candidates proposed by each Party to serve in such capacity. No later than the five (5) days after the exchange of each Party's list of candidates, each Party shall deliver to the other a list ranking all six (6) candidates proposed by the Parties in order of preference (one (1) being the most preferred and six (6) being the least preferred). The candidate with the lowest aggregate ranking on the Parties' lists shall serve as the Arbitrator (with the candidate whose last name comes first alphabetically being chosen in case of a tie). If any candidate selected in accordance with the procedures provided in this Section is unable or unwilling to act as the Arbitrator, the candidate whose ranking is next lowest shall be approached until an Arbitrator is selected. If none of the candidates proposed by the Parties is capable or willing to serve as the Arbitrator, the Parties may either agree to repeat the process until an Arbitrator is selected or, at the election of either Party, proceed in accordance with the Arbitration Rules.

(c) The decision or award of the Arbitrator shall be final, binding and incontestable and may be used as a basis for judgment thereon in any jurisdiction. The Parties hereby expressly agree to waive the right to appeal from the decision of the Arbitrator.

Accordingly, there shall be no appeal to any court or other authority (government or private) from the decision of the Arbitrator, and the Parties shall not dispute nor question the validity of such decision or award before any regulatory or other authority in any jurisdiction where enforcement action is taken by the Party in whose favor the decision or award is rendered, except in the case the decision or award was procured by fraud. The Arbitrator shall, upon the request of either Party, issue a written opinion of the findings of fact and conclusions of law and shall deliver a copy to each of the Parties. Each Party shall bear its own costs and attorneys' fees, and the Parties shall equally bear the fees, costs, and expenses of the Arbitrator and the arbitration proceedings; provided, however, that the Arbitrator may exercise discretion to award costs, including reasonable and necessary attorneys' fees, to the prevailing Party.

9.2 Jurisdiction/Venue/Enforcement of Award. The Parties consent and submit to the exclusive personal jurisdiction and venue of the Supreme Court of the State of New York and the United States District Court for the Southern District of New York, each located in County of New York, State of New York, to compel arbitration in accordance with this Agreement, to enforce any arbitration award granted pursuant to this Agreement, including, any award granting equitable or injunctive relief, and to otherwise enforce this Agreement and carry out the intentions of the Parties to resolve all disputes arising under or in connection with this Agreement through arbitration.

ARTICLE 10
MISCELLANEOUS

10.1 Confidentiality.

(a) Each Party will treat as confidential the Confidential Information of the other Party, and will take all necessary precautions to assure the confidentiality of such Confidential Information. Each Party agrees to return to the other Party upon the expiration or termination of this Agreement all Confidential Information acquired from such other Party, except as to such information it may be required to retain under Applicable Laws, and except for one copy of such information to be retained by such Party solely to enable it to assess its compliance with the confidentiality provisions of this Section 10.1. From the date hereof through the period ending ten (10) years after the Closing Date, neither Party shall, without the other Party's express prior written consent, use or disclose any such Confidential Information for any purpose other than to carry out its obligations hereunder. Each Party, prior to disclosure of Confidential Information of the other Party to any employee, consultant or advisor shall ensure that such Person is bound in writing to observe the confidentiality such Party's Confidential Information on terms no less restrictive than those contained herein. The obligations of confidentiality shall not apply to Confidential Information that the receiving Party is required by law or regulation to disclose, provided however that the receiving Party shall so notify the disclosing Party of its intent and cooperate with the disclosing Party on reasonable measures to protect the confidentiality of the Confidential Information. Seller hereby acknowledges and agrees that any Confidential Information of Seller on or before the Closing Date included in the Assets shall be Buyer's Confidential Information after the Closing Date.

10.2 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute a single document.

10.3 Entire Agreement. This Agreement, and the Exhibits and Schedules referenced herein, that certain Summary Separation Proposal between Retrophin and Buyer's Chief Executive Officer dated October 13, 2014, the Ancillary Agreements, the other specific agreements contemplated herein or thereby and that certain Asset Purchase Agreement between Seller, Manchester Pharmaceuticals LLC and Buyer to be entered into hereafter with respect to Seller's Vecamyl product contain the entire agreement between the Parties with respect to the subject matter hereof and supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter.

10.4 Exhibits and Schedules. The Exhibits and Schedules referenced herein and attached hereto are incorporated into this Agreement by reference.

10.5 Governing Law. This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of New York irrespective of the choice of laws principles of the State of New York.

10.6 Assignability. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Neither Party may assign its respective rights or delegate its respective obligations under this Agreement without the express prior written consent of the other Party; provided that either Party may assign or transfer this Agreement, to an Affiliate (provided the assigning Party remains liable hereunder), or to any Third Party in connection with the sale or transfer of the business to which this Agreement relates.

10.7 Third Party Beneficiaries. Nothing in this Agreement shall be deemed to create any third party beneficiary rights in or on behalf of any other Person.

10.8 Notices. All notices required to be given hereunder shall be in writing and shall be given by personal delivery, by an internationally recognized overnight carrier or by registered or certified mail, postage prepaid with return receipt requested. All notices hereunder shall be addressed as follows:

If to Seller, to:	Retrophin, Inc. 12255 El Camino Real San Diego, CA 92130 Attention: General Counsel
If to Buyer, to:	Turing Pharmaceuticals AG 101 Avenue of the Americas, 9th Floor New York, New York 10013 Attention: Chief Executive Officer
With a copy to:	Reitler Kailas & Rosenblatt LLC 885 Third Avenue, 20th Floor New York, New York 10022 Attention: Michael Hirschberg, Esq.

Either Party may, by notice to the other Parties given in the form specified in this Section 10.8, change the address to which such notices are to be given. Notices delivered personally shall be deemed communicated as of actual receipt; notices sent via overnight courier shall be deemed received three (3) Business Days following sending; and notices mailed shall be deemed communicated as of seven (7) Business Days after mailing. A Party may change its address by written notice in accordance with this Section 10.8.

10.9 Severability. If any provision of this Agreement shall be held invalid, illegal or unenforceable, the validity, legality or unenforceability of the other provisions of this Agreement shall not be affected thereby, and there shall be deemed substituted for the provision at issue a valid, legal and enforceable provision as similar as possible to the provision at issue.

10.10 Survival. Except as expressly set forth herein, the covenants, representations and warranties contained in this Agreement, and liability for the breach of any obligations contained herein, shall survive the Closing Date and shall remain in full force and effect.

10.11 No Implied Waiver. No failure or delay on the part of the Parties hereto to exercise any right, power or privilege hereunder or under any instrument executed pursuant hereto shall operate as a waiver; nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

10.12 Amendments. Any amendment or modification of this Agreement shall only be valid if made in writing and signed by the Parties hereto.

10.13 Independent Contractors. The relationship between Seller on the one hand and Buyer on the other had is that of independent contractors and nothing herein shall be deemed to constitute the relationship of partners, joint venturers nor of principal and agent between Seller on the one hand and Buyer on the other hand.

10.14 Expenses. Except as expressly set forth herein, each Party shall pay all of its own fees and expenses (including all legal, accounting and other advisory fees) incurred in connection with the negotiation and execution of this Agreement and the arrangements contemplated hereby.

10.15 Representation By Counsel; Interpretation. Seller and Buyer each acknowledges that it has been represented by its own legal counsel in connection with this Agreement and the transactions contemplated by this Agreement. Accordingly, any rule of law, or any legal decision that would require interpretation of any claimed ambiguities in this Agreement against the Party that drafted it, has no application and is expressly waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the intent of Seller and Buyer.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, the Parties, intending to be bound hereby, have executed this Agreement as of the date first written above.

"Seller"

RETROPHIN, INC.

By: /s/ Margaret Valeur-Jensen
Name: Margaret Valeur-Jensen
Title: General Counsel

"Buyer"

TURING PHARMACEUTICALS AG

By: /s/ Martin Shkreli
Name: Martin Shkreli
Title: Chief Executive Officer

EXHIBIT A

FORM OF BILL OF SALE

EXHIBIT B

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

Exhibit 10.4

Execution Version

Amendment No. 3 to Credit Agreement

This Amendment No. 3 (this "**Amendment**") to that certain Credit Agreement, dated as of June 30, 2014 (as amended by Amendment No. 1 to the Credit Agreement dated as of July 16, 2014, Amendment No. 2 to the Credit Agreement dated as of November 13, 2014 and as otherwise modified prior to the date hereof, the "**Existing Credit Agreement**"), by and among Retrophin, Inc., as borrower (the "**Borrower**"), the Lenders from time to time party thereto and U.S. Bank National Association, as administrative agent and collateral agent (in such capacity, the "**Administrative Agent**"), is dated as of January 12, 2015, by and among the Borrower, the Lenders constituting the Majority Lenders on the signature pages hereto, and the Administrative Agent. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Existing Credit Agreement.

RECITALS

WHEREAS, Section 6.07 of the Existing Credit Agreement provides that the Borrower shall not, and shall not permit any of its Subsidiaries to, make or hold any Investments or Acquisitions other than the Investments and Acquisitions permitted therein; and

WHEREAS, the Borrower has advised the Majority Lenders that it wishes to amend certain clauses of Section 6.07 of the Existing Credit Agreement on the terms set forth herein and the Majority Lenders have agreed to consent to such amendments.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and undertakings in this Amendment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Defined Terms; References. Unless otherwise specifically defined herein, each term used herein that is defined in the Amended Credit Agreement (as defined below) has the meaning assigned to such term in the Amended Credit Agreement. Each reference in the Existing Credit Agreement to "this Agreement", "hereof", "hereunder", "herein" and "hereby" and each other similar reference, and each reference in any other Loan Document to "the Credit Agreement", "thereof", "thereunder", "therein" or "thereby" or any other similar reference to the Existing Credit Agreement shall, from the Amendment Effective Date (as defined below), refer to the Existing Credit Agreement after giving effect to the amendments herein (the "**Amended Credit Agreement**").

2. Amendments.

(I) Section 1.01 of the Existing Credit Agreement is hereby amended by inserting the following definitions therein:

"**Asklepion Acquisition**" means, the acquisition by the Borrower of certain assets, and the assumption by the Borrower of certain obligations, related to Asklepion's Cholic Acid business, pursuant to the Asklepion Acquisition Agreement; *provided* that

(a) such acquisition is financed with (x) Cash on hand of the Borrower or such Subsidiary, (y) the proceeds of the sale or issuance of any Capital Stock by the Borrower or (z) Indebtedness incurred under this Agreement; (b) no Default or Event of Default shall have occurred and be continuing as of the Asklepion Acquisition Closing Date; (c) as of the Asklepion Acquisition Closing Date, the Borrower shall be in pro forma compliance with each of the Financial Covenants, determined as of the last day of the most recently ended Measurement Period; and (d) the representations and warranties of the Loan Parties contained in the Loan Documents, in the Asklepion Acquisition Agreement and the other documents relating thereto, shall in each case be true and correct in all material respects on and as of the Asklepion Acquisition Closing Date except to the extent that such representations and warranties specifically refer to an earlier date, in which case such representations and warranties are true and correct in all material respects as of such earlier date; *provided* that any such representation and warranty that is qualified by "materiality", "material adverse effect" or similar language shall be true and correct in all respects (after giving effect to any such qualification therein) as of the Asklepion Acquisition Closing Date or such earlier date, as applicable.

"**Asklepion Acquisition Agreement**" means that certain Asset Purchase Agreement dated as of January 12, 2015 among Asklepion, as seller and the Borrower, as purchaser, together with all other documents, instruments, certificates and/or agreements entered into in connection with or related to the Asklepion Acquisition Agreement, the execution versions of each have been provided to the Administrative Agent.

"**Asklepion Acquisition Closing Date**" means the Closing Date (as defined in the Asklepion Acquisition Agreement).

"**Asklepion**" means Asklepion Pharmaceuticals LLC.

(II) Section 6.07 of the Existing Credit Agreement is hereby amended by (i) deleting the text "and" appearing at the end of clause (h) thereof, (ii) deleting the text "." appearing immediately following clause (i) thereof and inserting the text "; and" in lieu thereof and (iii) inserting the following new clause (j):

(j) the Asklepion Acquisition.

4. Conditions Precedent. This Amendment shall become effective when, and only when, each of the following conditions shall have been satisfied (the date of satisfaction of such conditions precedent, the "**Amendment Effective Date**"):

(a) the Administrative Agent shall have received a counterpart of this Amendment executed by the Borrower and the Majority Lenders;

(b) the representations and warranties of the Loan Parties contained in the Loan Documents shall be true and correct in all material respects on and as of the Amendment Effective Date except to the extent that such representations and warranties specifically refer to an earlier date, in which case such representations and warranties shall be true and correct in all

material respects as of such earlier date; *provided* that any such representation and warranty that is qualified by "materiality", "material adverse effect" or similar language shall be true and correct in all respects (after giving effect to any such qualification therein) as of the Amendment Effective Date or such earlier date, as applicable;

(c) the Administrative Agent shall have received payment of all reasonable and documented fees and expenses of counsel for the Administrative Agent as set forth in Section 9.05 of the Existing Credit Agreement; and

(e) no Default or Event of Default shall have occurred and be continuing on the Amendment Effective Date, both immediately prior to and immediately after giving effect to this Amendment.

5. Loan Document. As of the Amendment Effective Date, this Amendment shall be a Loan Document executed pursuant to the Existing Credit Agreement, shall constitute a "Loan Document" for all purposes under the Amended Credit Agreement and (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof.

6. Effect of Amendment. Except as expressly set forth herein, this Amendment shall not by implication or otherwise (i) limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of the Lenders, the Administrative Agent, the Collateral Agent or any other party under the Existing Credit Agreement or any other Loan Document, (ii) alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Existing Credit Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect or (iii) entitle the Borrower or any Guarantor to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Existing Credit Agreement or any other Loan Document in similar or different circumstances. Except as expressly amended or waived hereby, the provisions of the Existing Credit Agreement are and shall remain in full force and effect.

7. Section Captions. Section captions used in this Amendment are for convenience of reference only, and shall not affect the construction of this Amendment.

8. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Amendment by telecopy or other electronic means shall be effective as delivery of a manually executed counterpart of this Amendment.

9. Governing Law. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed in duplicate as of the day and year first above written.

BORROWER: **RETROPHIN, INC.**

By: /s/ Laura Clague
Name: Laura Clague
Title: Chief Financial Officer

[*Signature Page to Amendment No. 3*]

ADMINISTRATIVE AGENT:

U.S. BANK NATIONAL ASSOCIATION,
as Administrative Agent

By: /s/ James A. Haney
Name: James A. Haney
Title: Vice President

[*Signature Page to Amendment No. 3*]

MAJORITY LENDERS:

Athyrium Opportunities Fund (A) LP,
as Lender

By: Athyrium Opportunities Associates LP, its general partner

By: Athyrium Opportunities Associates GP LLC, its general partner

By: /s/ Jeffrey A. Ferrell
Name: Jeffrey A. Ferrell
Title: President

Athyrium Opportunities Fund (B) LP,
as Lender

By: Athyrium Opportunities Associates LP, its general partner

By: Athyrium Opportunities Associates GP LLC, its general partner

By: /s/ Jeffrey A. Ferrell
Name: Jeffrey A. Ferrell
Title: President

[*Signature Page to Amendment No. 3*]

Exhibit 10.5

*****Text Omitted and Filed Separately with the Securities and Exchange Commission. Confidential Treatment Requested Under 17 C.F.R. Sections 200.80(b)(4) and 240.24b-2.**

AMENDMENT NO. 3 TO SUBLICENSE AGREEMENT

THIS AMENDMENT NO. 3 TO SUBLICENSE AGREEMENT (the "**Amendment**") is made and entered into as of February 27, 2015 ("**Amendment Effective Date**") and amends the Sublicense Agreement effective as of February 16, 2012, as amended pursuant to that certain Amendment to Sublicense Agreement dated December 11, 2012 and Amendment to Sublicense Agreement dated January 7, 2013 (the "**Sublicense Agreement**") by and between Ligand Pharmaceuticals Incorporated, a corporation organized under the laws of Delaware and having a place of business at 11119 North Torrey Pines Road, Suite 200, La Jolla, CA, 92037 and its wholly owned subsidiary, Pharmacopeia, LLC (as successor in interest to Pharmacopeia Drug Discovery Inc.) ("**PCOP**"), a limited liability company organized under the laws of Delaware and having a place of business at 11119 North Torrey Pines Road, Suite 200, La Jolla, CA, 92037 (collectively, Ligand Pharmaceuticals Incorporated and PCOP shall be known as "**Ligand**") and Retrophin, Inc., a corporation organized under the laws of Delaware and having a place of business at 777 Third Avenue, 22nd Floor, New York, NY, 10017 ("**Retrophin**").

BACKGROUND

WHEREAS Ligand and Retrophin have previously entered into the Sublicense Agreement; and

WHEREAS, Ligand and Retrophin desire to amend certain terms of the Sublicense Agreement as set forth herein.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants contained herein, the Parties, intending to be legally bound, agree as follows:

1. **Capitalized Terms**. The capitalized terms used herein and not otherwise defined shall have the same definitions as provided in the Sublicense Agreement

2. **Amendments**.

a) Sections 6.1.2 and 6.1.4 of the Sublicense Agreement are hereby removed.

b) Section 6.1.3 of the Sublicense Agreement is hereby amended to read as follows:

"File for Approval for at least one (1) Orphan Licensed Product ("**Approval Submission**") no later than […***…] ("**Filing Deadline**"); provided that if Retrophin exercises its Extension Option (as defined below), then the Filing Deadline shall become (a) […***…] if the Approval Submission is filed pursuant to the Code of Federal Regulations Title 21, Subpart H ("**Subpart H**") or (b) […***…], if the Approval Submission is not eligible to be filed pursuant to Subpart H. In order to exercise the Extension Option, prior to or on […***…]

("**Extension Date**"), Retrophin shall either (a) pay to Ligand […***…] or (b) issue to Ligand, or ensure that Ligand receives, that number of shares of capital stock of Retrophin equal to […***…] as determined by the average of the closing prices for such capital stock over a five (5) trading day period ending three (3) trading days before the Extension Date ("**Extension Option**")**.**

c) **Development Milestone Events**. The third milestone event in Table 1 for $[…***…] shall be amended and restated as follows:

"[…***…]"

3. No Other Amendments. Except as provided herein, the Sublicense Agreement shall continue in full force and effect.

4. Governing Law. This Amendment shall be governed by, enforced, and shall be construed in accordance with the laws of the State of New York without regard to its conflicts of law provisions**.**

5. Counterparts. This Amendment may be executed in counter-parts with the same effect as if both Parties had signed the same document. All such counterparts shall be deemed an original, shall be construed together and shall constitute one and the same instrument.

[*Signature Page Follows*]

***Confidential Treatment Requested

IN WITNESS WHEREOF, the Parties have executed this Amendment to Sublicense Agreement through their duly authorized representatives to be effective as of the Amendment Effective Date.

LIGAND PHARMACEUTICALS INCORPORATED		**RETROPHIN, INC.**	
By:	/s/ Matthew W. Foehr	By:	/s/ Steve Aselage
Name:	Matthew W. Foehr	Name:	Steve Aselage
Title:	President/COO	Title:	CEO

Exhibit 10.6

*****Text Omitted and Filed Separately with the Securities and Exchange Commission.**
Confidential Treatment Requested Under 17 C.F.R. Sections 200.80(b)(4) and 240.24b-2.

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "**Agreement**") is made as of January 10, 2015 (the "**Effective Date")**, by and between **Retrophin, Inc.**, a Delaware corporation ("**Retrophin**" or "**Buyer**")) and **Asklepion Pharmaceuticals, LLC**, a Delaware limited liability company ("**Asklepion**" or "**Seller**"). Buyer and Seller may be referred to herein collectively as the "**Parties**" and individually as a "**Party**."

RECITALS

WHEREAS, Asklepion desires to sell, assign and convey all of its rights, interests and obligations in and to certain of its assets related to its Cholic Acid business, and Retrophin desires to purchase, assume and accept from Asklepion such rights, interests and obligations, all on the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of these premises, the respective covenants of Buyer and Seller set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1
DEFINITIONS

Definitions. In addition to the other capitalized terms defined herein, the following capitalized terms shall have the following respective meanings:

1.1 "**Act**" means the United States Food, Drug and Cosmetic Act, as amended from time to time and the regulations promulgated thereunder.

1.2 "**Affiliate**" means, with respect to any Party, any Person that, directly or indirectly, controls, is controlled by, or is under common control with such Party at any time during the period for which the determination of affiliation is being made. For the purposes of this definition, "**control**" (with correlative meanings for the terms "**controlled by**" and "**under common control with**") means the possession by the applicable Person, directly or indirectly, of the power to direct or cause the direction of the management, policies and business affairs of a Person, whether through ownership of voting securities or general partnership or managing member interests, by contract or otherwise.

1.3 "**Agency**" means any governmental or regulatory authority having jurisdiction over the subject activities, products, and/or services.

1.4 "**Anti-Corruption Laws**" means the U.S. Foreign Corrupt Practices Act, as amended, the UK Bribery Act 2010, as amended, and any other applicable anti-corruption laws.

1.5 "**Applicable Laws**" means (i) all applicable laws, rules and regulations, including any rules, regulations, guidelines or other requirements of all Agencies, that may be in effect with respect to the subject activities, products and services, including the Act, and the PDMA, (ii) in the U.S., the American Medical Association Guidelines on Gifts to Physicians from

Industry, and, outside the U.S., any foreign counterparts, (iii) in the U.S., the PhRMA Code on Interactions with Healthcare Professionals, and, outside the U.S., any foreign counterparts, and (iv) any requirement of action as directed by court order.

1.6 "**Assigned Contracts**" means the contracts between Asklepion and Third Parties for the continued development and commercialization of the Cholic Acid Product as set forth on "**Assigned Contracts Schedule**".

1.7 "**Assignment and Assumption Agreement**" means the Assignment and Assumption Agreement between Buyer and Seller in the form to be mutually agreed upon by Buyer and Seller.

1.8 "**Bill of Sale**" means the Bill of Sale by Seller to Buyer in the form to be mutually agreed upon by Buyer and Seller.

1.9 "**Business Day**" means any day other than a Saturday, Sunday, or a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to close.

1.10 "**Chenodal**" means chenodeoxycholic acid human pharmaceutical product sold by Retrophin or its licensee in the United States.

1.11 "**Cholic Acid**" means the primary bile acid 3α,7α,12α-trihydroxy-5β-cholan-24-oic acid as defined by the United States Adopted Names Council entry BC-106 and CAS Number 81-25-4.

1.12 "**Cholic Acid Product**" means (a) the pharmaceutical product being developed as of the Effective Date by Seller that has Cholic Acid as an "active pharmaceutical ingredient", (b) any other product […***…] using Cholic Acid as an active ingredient or as one of two or more active ingredients of its "active pharmaceutical ingredients", in each case (with respect to clauses (a) and (b)), including any additional indications and other product extensions, and (c) any […***…] in connection with the products described in the foregoing clauses (a) or (b), if such […***…] is based, in whole or in part, or used Cholic Acid Product IP or Cholic Acid Product Data Assets.

1.13 **"Cholic Acid Product Data Assets**" means (a) any and all pre-clinical, clinical, chemical synthesis, manufacturing and testing data, protocols and other information, including chemical, pharmacological, toxicological, pharmaceutical, physical, analytical, safety, efficacy, bioequivalency, quality assurance, quality control and clinical data for the development and commercialization of the Cholic Acid Product, including its registration, formulation, manufacture, use, storage, transport, importation, sale, offer for sale, promotion and distribution; and, (b) all files, correspondence, records, laboratory notebooks, photographs, vendor and other audits, reports, documentation and other tangible embodiments (whether in writing, electronically stored or otherwise) related to the matters described in clause (i) above.

***Confidential Treatment Requested

1.14 "**Cholic Acid Product Inventory**" means any and all inventory of the Cholic Acid Product, including work in process inventory and finished product of Cholic Acid Product as set forth on the "**Cholic Acid Product Inventory Schedule**".

1.15 "**Cholic Acid Product IP**" means the Intellectual Property for the commercialization of the Cholic Acid Product (including, to the extent applicable, its registration, formulation, manufacture, use, storage, transport, offer for sale, sale, importation, promotion and distribution) and includes Copyrights and Cholic Acid Product Know-How, in each case, as set forth on the "**Cholic Acid Product IP Schedule**".

1.16 "**Cholic Acid Product Know-How**" means any and all Know-How for the development and commercialization of the Cholic Acid Product (including, to the extent applicable, its registration, formulation, manufacture, use, storage, transport, offer for sale, sale, importation, promotion and distribution).

1.17 "**Cholic Acid Product MSA**" means the centralized EU marketing authorization held by Seller's wholly-owned subsidiary, ASK Pharmaceuticals GmbH Heimeranstraße 35, D-80339 München, Deutschland, relating to the product named "Kolbam" (previously Cholic Acid FGK) for the therapeutic areas of "Metabolism, Inborn Errors" and therapeutic indication of the treatment of inborn errors in primary bile acid synthesis due to Sterol 27-hydroxylase (presenting as cerebrotendinous xanthomatosis, CTX) deficiency, 2- (or a-) methylacyl-CoA racemase (AMACR) deficiency or Cholesterol 7a-hydroxylase (CYP7A1) deficiency in infants, children and adolescents aged 1 month to 18 years and adults, with agency product number EMEA/H/C/002081 -T/0004 and the date of issue of marketing authorization valid throughout the European Union: 04/04/2014.

1.18 "**Cholic Acid Product NDA**" means NDA 205-570 filed by Asklepion with the FDA.

1.19 "**Cholic Acid Product Regulatory Assets**" means the Cholic Acid Product NDA, the Cholic Acid Product MSA, the Orphan Drug Designations, the Seller's rights to the Other Marketing Authorization Applications and, in each case, all supporting documents, files and data.

1.20 "**Commercially Reasonable Efforts**" means, with respect to a Party, that level of effort and resources required to carry out a particular task or obligation in an active and sustained manner consistent with the general practices applied in the research-based pharmaceutical industry in the development and commercialization of products of similar market potential to the Cholic Acid Product at a similar stage in development or product life, taking into account issues of orphan drug or other exclusivity, safety, and other relevant factors, including technical, legal, scientific, medical, operational and commercial factors, and taking into account profitability exclusive of applicable royalties, milestone, and any other similar payments.

1.21 "**Competition Period**" means, on a jurisdiction by jurisdiction basis, the longer of (a) […***…], or (b) any marketing exclusivity period in respect of a Product under Applicable Law, in each case, measured from the time of approval in the applicable jurisdiction.

***Confidential Treatment Requested

1.22 **"Competitive Product"** means a product that is […***…].

1.23 **"Confidential Information**" means any information that (i) in any way relates to products, business, Know-How, business strategies and technology of a Party or Affiliate thereof, (ii) is furnished or disclosed to the other Party in connection with this Agreement, and (iii) is identified as "confidential" (or words of similar import) upon such disclosure; provided, however, that the term "Confidential Information" shall not include any specific information that:

(a) at the time of disclosure, is generally available to the public;

(b) after disclosure hereunder, becomes generally available to the public, except as a result of a breach of this Agreement by the recipient of such information;

(c) becomes available to the recipient of such information from a Third Party that is not legally or contractually prohibited by the disclosing Party from disclosing such Confidential Information; or

(d) the recipient of which can demonstrate by clear and convincing evidence was developed by or for such recipient without the use of any of the Confidential Information of the disclosing Party or its Affiliates hereunder.

1.24 "**Contingent Payments**" means the contingent payments contemplated under Section 3.4.

1.25 "**Copyrights**" means all of Seller's (a) U.S. and foreign copyrights, whether statutory or arising under common law, (b) all copyright applications and registrations, and certificates of copyright pertaining thereto, including but not limited to, copyright registrations in each case relating to Cholic Acid Product.

1.26 "**Distributor Receipts**" means, with respect to a Product, all amounts paid or payable to Retrophin and/or its Affiliates for sales anywhere in the world of such Product to a Third Party (including, without limitation, licensees, sublicensees and distributors, which includes, without limitation, the Initial Distributors) to whom Retrophin or its Affiliates (or their respective successors or assigns) sells Product for resale by such Third Party. Notwithstanding the foregoing, […***…] prior to the expiration of the initial term specified in such […***…], including, but not limited to, […***…], then, for the remaining period of the initial term ([…***…]), the amounts paid or payable to Retrophin and/or its Affiliates attributable to such […***…] that has been terminated shall be […***…]

***Confidential Treatment Requested

[…***…]. A sample calculation of such discount to amounts paid or payable to Retrophin and/or its Affiliates is set forth on **Schedule 1.26**. Distributor Receipts with respect to a Product shall also include […***…].

1.27 "**Electronic Data Room**" means the documents relating to Asklepion and its subsidiaries provided electronically on the share file site by Asklepion to Retrophin or its advisors as of the Effective Date and, solely taking into account the addition of (a) the manufacturing batch records for finished goods from Patheon in respect of the period prior to the Effective Date (which Asklepion may provide electronically on the share file site subsequent to the Effective Date and will be deemed to have been provided by Asklepion as of the Effective Date), and (b) such documents to the share file site required or permitted in accordance with Sections 2.2 and 6.4, as of the Closing Date.

1.28 "**EMA**" means the European Medicines Agency or any successor agency thereto.

1.29 "**Escrow Agent**" means Wilmington Trust, N.A.

1.30 "**Escrow Agreement**" means the Escrow Agreement between Buyer, Seller and the Escrow Agent governing the deposit, holding and release of the Escrowed Assets between the Closing Date and the date that is seven (7) days after the due date for the FDA Approval Milestone for the Bile Acid Indications as provided in Section 3.3(a), in the form to be mutually agreed upon by Buyer, Seller and the Escrow Agent.

1.31 "**FDA**" means the United States Food and Drug Administration or any successor agency thereto.

1.32 "**First Commercial Sale**" means the first sale for transfer for cash or some equivalent to which value can be assigned of a Cholic Acid Product in the United States after FDA approval of the Cholic Acid Product NDA. A sale on a cost reimbursement basis for use in a clinical trial will not constitute a First Commercial Sale.

1.33 "**Initial Distributors**" means […***…].

1.34 "**Initial Distribution Agreements**" means (i) that certain Distribution Agreement between Asklepion Pharmaceuticals LLC and […***…], as amended by the First Amendment to Distribution Agreement between Asklepion Pharmaceuticals LLC and […***…], (ii) that certain Distribution Agreement between Asklepion Pharmaceuticals LLC and […***…], as amended by the First Amendment to Distribution Agreement between Asklepion Pharmaceuticals LLC and […***…], and (iii) that

***Confidential Treatment Requested

certain Distribution Agreement between Asklepion Pharmaceuticals LLC […***…], as amended or supplemented by Addendum to Distribution Agreement between […***…] and Asklepion Pharmaceuticals, Addendum II to Distribution Agreement between […***…] and Asklepion Pharmaceuticals, LLC dated 22 October 2012, dated January 7, 2015, and the Second Amendment to Distribution Agreement between Asklepion Pharmaceuticals LLC and […***…].

1.35 "**Intellectual Property**" means any and all rights in and to Copyrights, Know-How, trademarks, service marks, service names, trade names, internet domain names, e-mail addresses, applications or registration for any of the foregoing, and any similar type of rights and interests and intangible assets, in each case, recognized under any laws as intellectual property to which rights of ownership accrue pursuant to such laws or conventions or under any applicable license or contract, whether now existing or hereafter created, together with all modifications, enhancements and improvements thereto.

1.36 "**Know-How**" means any and all know-how, trade secrets, inventions (other than inventions covered by a patent), data, processes, photographs, techniques, procedures, drawings, compositions, devices, methods, formulas, algorithms, protocols and information, whether or not patentable, which are not generally publicly known, including, all chemical, pharmacological, toxicological, pharmaceutical, physical, analytical, safety, efficacy, bioequivalency, quality assurance, quality control, clinical data, and scientific research information and data relating to a product.

1.37 "**Knowledge of Seller**" or "**Seller's Knowledge**" means (a) for purposes of this Agreement other than the representations and warranties contained in Section 4.11(a), the actual knowledge of the executive officers of Seller, […***…], after exercising their duties in good faith, and (b) for purposes of the representations and warranties contained in Section 4.11(a), is based solely on the written representations and/or statements made to Seller by […***…].

1.38 "**Liens**" means any mortgages, security interests, liens, options, pledges, equities, claims, charges, restrictions, conditions, conditional sale contracts and any other adverse interests or other encumbrances of any kind whatsoever. Notwithstanding the foregoing, the term "**Liens**" shall not include liens as set forth on the "**Permitted Liens Schedule**".

1.39 "**[…***…] Matter**" means all claims or rights of Seller's wholly-owned subsidiary, ASK Pharmaceuticals GmbH Heimeranstraße 35, D-80339 München, Deutschland, […***…], as more fully described on **Schedule 4.5**.

1.40 **"Net Revenues"** means the sum of (i) Net Sales of the Cholic Acid Product, and (ii) the Distributor Receipts.

***Confidential Treatment Requested

1.41 "**Net Sales**" means, with respect to a Product, the […***…], less:

(a) […***…];

(b) […***…];

(c) […***…]; and

(d) […***…].

For the avoidance of doubt, Net Sales shall not include any payments among Retrophin and its Affiliates. Net Sales shall be determined in accordance with generally accepted accounting principles, consistently applied.

1.42 "**Orphan Drug Designations**" means (i) the Orphan Product Designation from the Department of Health and Human Services, Food and Drug Administration Office of Orphan Products Development for Cholic Acid, designated as of 07-18-2003, under the name "Cholbam" as a "drug for a rare disease or condition" for the treatment of inborn errors of cholesterol and bile acid synthesis and metabolism under the Orphan Drug Act, as amended, and implementing regulations at 21 C.F.R. Part 316, and (ii) the designation of Cholic Acid as an orphan medicinal product under Regulation (EC) No 141/2000 of the European Parliament and of the Council by the Commission of the European Communities (EU orphan designation number: EU/3/09/683) to Seller's wholly-owned subsidiary, ASK Pharmaceuticals GmbH Heimeranstraße 35, D-80339 München, Deutschland, for the treatment of inborn errors of primary bile acid synthesis responsive to treatment with Cholic Acid.

1.43 "**Other Marketing Authorization Applications**" means the applications for marketing authorization or similar approvals with the applicable regulatory bodies for the commercialization of the Cholic Acid Product made by […***…]

***Confidential Treatment Requested

[…***…].

1.44 "**PDMA**" means the Prescription Drug Marketing Act of 1987, as amended, and the rules, regulations and guidelines promulgated thereunder and in effect from time to time, and any foreign counterpart thereto.

1.45 "**Person**" means any individual, partnership, association, corporation, limited liability company, trust, or other legal Person or entity.

1.46 "**Product**" means Cholic Acid Product, any Combination Product or […***…], as the case may be.

1.47 "**Royalties**" means the royalties on Net Revenues of Cholic Acid Product and Net Sales of […***…] payable to Asklepion pursuant to Section 3.5.

1.48 "**Security Agreement**" means the Security Agreement to be executed by the Buyer for the benefit of the Seller at the Closing in order to grant Seller a first-priority security interest and lien in and to the Asset as security for the Buyer's obligations to pay the FDA Milestone Payments in accordance with the terms of Section 3.3 of this Agreement in the form to be mutually agreed upon by Buyer and Seller.

1.49 "**Third Party**" means any Person other than a Party and such Party's Affiliates.

1.50 "**U.S. Commercialization Plan**" means the general marketing and promotional plans for the Cholic Acid Product in the United States, in a consistent with Retrophin's plans generally and pharmaceutical industry standards, for each calendar year.

1.51 "**Voucher**" means a Paediatric Rare Disease Priority Review Voucher, if and only if, granted to Asklepion by the FDA in respect of the Cholic Acid Product.

1.52 **Interpretation**. Unless the context of this Agreement otherwise requires (a) words of any gender include each other gender, (b) words using the singular or plural number also include the plural or singular number, respectively, (c) the terms "hereof," "herein," "hereby," and derivative or similar words refer to this entire Agreement, (d) the terms "Article," "Section," and "Exhibit" refer to the specified Article, Section and Exhibit of this Agreement and (e) the terms "include," "includes," or "including," shall be deemed to be followed by the words "without limitation" unless otherwise indicated. Whenever this Agreement refers to a number of days, unless otherwise specified, such number shall refer to calendar days. The headings in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

***Confidential Treatment Requested

ARTICLE 2
SALE AND PURCHASE OF ASSETS

2.1 Conveyance; Assets; Escrowed Assets.

(a) Assets. Upon the terms and subject to the conditions of this Agreement, on the Closing Date, the Seller shall and, if owned or held by its Affiliates, shall cause its Affiliates to, irrevocably sell, assign, transfer, convey and deliver to Buyer or its Affiliates (as directed by Buyer in writing), and Buyer shall and, if and to the extent directed by Buyer, shall cause its Affiliates to, purchase, acquire, assume and accept, free and clear of any and all Liens, all right, title and interest of Seller and its Affiliates in and to the following assets related to the Cholic Acid Product (the "**Assets**"):

(i) the Assigned Contracts;

(ii) the Cholic Acid Product Data Assets;

(iii) the Cholic Acid Product IP;

(iv) the Cholic Acid Product Regulatory Assets;

(v) to the extent assignable, all claims, judgments, cases in action or rights related to the Cholic Acid Product, including, for past, present or future infringement of the Cholic Acid Product IP;

(vi) copies of other books, records (including computer records), correspondence (including email communications) of the Seller relating to the Cholic Acid Product and/or the Assets;

(vii) to the extent assignable, all representations, warranties, guarantees, indemnities, undertakings, covenants not to compete and covenants not to sue benefitting the Assets, certificates, covenants, agreements and all security therefor received by the Seller on the purchase, license or other acquisition of any part of the Assets; and

(viii) to the extent granted, if and when granted (if at all), to Asklepion, any Voucher; and

(ix) all claims or rights related to the […***…] Matter to be assigned by Seller's wholly-owned subsidiary, ASK Pharmaceuticals GmbH Heimeranstraße 35, D-80339 München, Deutschland.

(b) Conveyance of Assets; Escrowed Assets; Security Interest. No right, title or interest in or to the Assets or Assumed Liabilities (as herein defined) shall be sold, assigned, transferred, conveyed or delivered to Buyer until the Closing Date.

(i) At the Closing, Buyer shall deposit with the Escrow Agent to hold and release in accordance with the terms of the Escrow Agreement an assignment and assumption agreement assigning and transferring from Buyer to Seller all of the Assigned

***Confidential Treatment Requested

Contracts, a bill of sale and assignment assigning and transferring from Buyer to Seller all of the Assets, together with any other applicable instruments of assignment or transfer relating to the transfer of the Cholic Acid Product Regulatory Assets or necessary or appropriate to effect the transfer and assignment of the Assets from Buyer to Seller (collectively, the "**Escrowed Transfer Documents**"), for release to (x) Retrophin upon receipt of a joint instruction letter from Asklepion and Retrophin confirming Retrophin's payment in full to Asklepion of the FDA Approval Milestone for the Bile Acid Indications on the FDA Approval Milestone Payment Date (or within the 7 day cure period thereafter), or (y) Asklepion if no such instruction letter shall have been received by the Escrow Agent on or prior to the tenth day following the FDA Approval Milestone Payment Date. All of the Escrowed Transfer Documents shall provide that all the Assets shall be transferred to Seller, free and clear of all Liens.

(ii) At the Closing, Buyer's obligation to pay the FDA Approval Milestone for the Bile Acid Indications and any other accrued and unpaid payments under **Article 3**, will be secured by a second-priority, perfected security interest and lien in the Assets, on the terms and conditions set forth in the Security Agreement, which security interest and lien will be released upon payment in full to Asklepion of the FDA Approval Milestone for the Bile Acid Indications on the FDA Approval Milestone Payment Date (or within the 7 day cure period thereafter) in accordance with the terms of the Security Agreement. Additional rights of the Seller will be set forth in the Security Agreement and any applicable subordination or intercreditor agreement.

(iii) At the Closing, and for so long as the Escrowed Transfer Documents are held in escrow, Buyer shall not, directly or indirectly through its Affiliates, subsidiaries or otherwise, mortgage, pledge, hypothecate, encumber or subject to any Lien any of the Assets, other than to U.S. Bank National Association, as administrative agent, under Buyer's Credit Agreement, dated as of June 30, 2014, as amended. In addition, for so long as the Escrowed Transfer Documents are in escrow, Buyer will use Commercially Reasonable Efforts to preserve intact the Assets and the business-related thereto, including the commercialization, development, promotion, marketing and sales of the Cholic Acid Product, to maintain the rights and franchises associated with or related to the Cholic Acid Product and the other Assets, and preserve the relationships with customers, distributors, and others having business dealings with respect to the Cholic Acid Product or other Assets.

(c) Pre-Closing Sales. From the Effective Date until the Closing Date, Asklepion will book all Net Sales of Cholic Acid Products outside the United States ("**OUS**").

2.2 Cholic Acid Product NDA. Asklepion, as the sponsor, will use Commercially Reasonable Efforts to obtain the Cholic Acid Product NDA during the period from the Effective Date until FDA approval, including, but not limited to, correspondence, reports and filings with FDA and responsibility for all clinical trials and data generated therefrom, and will use reasonable efforts to keep Retrophin informed of FDA correspondence and calls and, to the extent reasonably practicable, to participate in such calls with the FDA; provided, however, that notwithstanding the foregoing, Asklepion makes no representation, warranty or guaranty concerning the receipt (if at all) of the Cholic Acid Product NDA or the Voucher or the indications for which the Cholic Acid Product NDA may be granted (if at all). Until the Closing Date, Asklepion shall promptly within three (3) days after the delivery or receipt thereof, make

available to Retrophin in the Electronic Data Room (or by other reasonable means mutually agreeable to Asklepion and Retrophin) such correspondence with the FDA required to be made available to Retrophin by Asklepion in the Electronic Data Room in order for the representation and warranty contained in Section 4.16(b) to be true and correct in all material respects at and as of the Closing Date. In connection with the Closing and any return of the Assets to Asklepion pursuant to Section 2.1(b)(i) and 9.3, Retrophin shall take all reasonable steps to cooperate in an orderly transfer of the Cholic Acid Product NDA (and associated IND) in accordance with all applicable FDA regulations. After the Closing, Retrophin will have full ownership, control of and responsibility for the Cholic Acid Product NDA (and associated IND) and will have sole responsibility for, and control of, all subsequent FDA and other regulatory filings in respect of the Cholic Acid Product NDA (and associated IND). Notwithstanding anything to the contrary in this Section 2.2 or elsewhere in this Agreement, until at or immediately prior to the Closing, in no event shall Asklepion be required to disclose or make available to Retrophin any information or materials, including, but not be limited to, correspondence, reports and filings with FDA and clinical trials and data generated therefrom, with respect to the CTX Indication, which Retrophin acknowledges and agrees are of a commercially sensitive and competitive nature.

2.3 Assumed Liabilities. Upon the terms and subject to the conditions of this Agreement, on the Closing Date, Buyer shall assume, be responsible for and pay, perform and discharge when due to assume, any and all of the liabilities of Seller to the extent relating to the Assigned Contracts, the Cholic Acid Product, the Assets or the Cholic Acid Product Inventory, each of which are expressly assumed by Buyer and accrue from and after the Closing Date (the "**Assumed Liabilities**").

2.4 Excluded Liabilities. Except for the Assumed Liabilities, but without limiting the terms or conditions of this Agreement, Buyer shall not assume or be liable for any liabilities of Seller or their respective Affiliates (fixed, contingent or otherwise, and whether or not accrued) relating to the Assigned Contracts, the Cholic Acid Product, the Assets or the Cholic Acid Product Inventory in respect of the period prior to the Closing Date (the "**Excluded Liabilities**").

2.5 Excluded Assets. Notwithstanding anything to the contrary contained in **Article 2** or elsewhere in this Agreement, all assets of Seller (collectively, the "**Excluded Assets**") that are not part of the Assets or the Cholic Acid Product Inventory, are excluded from the transactions contemplated by this Agreement and shall remain the property of Seller after the Closing Date.

2.6 Cholic Acid Product Inventory. Concurrently with the Closing, upon the terms and subject to the conditions of this Agreement, on the Closing Date, the Seller, on behalf of itself and its Affiliates, shall irrevocably sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase, acquire and accept, free and clear of any and all Liens, all right, title and interest of Seller and its Affiliates in and to the Cholic Acid Product Inventory, at cost to Asklepion determined in accordance with Section 3.7.

2.7 Transfer Taxes and Fees. Any and all sales, excise, use, value-added and similar taxes, fees or duties assessed or incurred by reason of the sale by Seller and the purchase

by Buyer of the Purchased Assets hereunder shall be shared equally between the Seller and Buyer, regardless of which Party such taxes, fees or duties are assessed against.

ARTICLE 3
CONSIDERATION

3.1 Consideration. Subject to the terms and conditions of this Agreement, **t**he consideration (the "**Consideration**") for the transfer and conveyance of the Assets to Buyer in accordance with **Article 2** shall be paid by Buyer by delivery of the following to Seller.

3.2 Effective Date Payment. No later than January 13, 2015, Retrophin will pay to Asklepion five million dollars ($5,000,000).

3.3 FDA Approval Milestones. Within forty five (45) days of FDA approval of the Cholic Acid Product NDA, Retrophin will pay one-time FDA approval milestones (each, and "**FDA Approval Milestone**") as follows:

(a) Bile Acid Indications. Retrophin will pay Asklepion an FDA Approval Milestone no later than the latest of (such latest date, the "**FDA Approval Milestone Payment Date**") (i) March 31, 2015, or (ii) 45 days after product approval of FDA approval of the Cholic Acid Product NDA, provided the approved labeling includes indication statements for each of the following bile acid indications:

(i) treatment of children and adults with an inborn error of primary bile acid synthesis due to deficiency in 3β-hydroxy-C27-steroid oxidoreductase deficiency; and

(ii) treatment of children and adults with an inborn error of primary bile acid synthesis due to deficiency in Δ4-3-oxosteroid 5β-reductase deficiency (collectively, clauses (i) and (ii), the "**Bile Acid Indications**").

The FDA Approval Milestone for the Bile Acid Indications will be equal to (i) twenty-seven million dollars ($27,000,000) if achieved on or before December 31, 2015, (ii) […***…] ($[…***…]) if achieved after December 31, 2015 but on or before December 31, 2016, (iii) […***…] ($[…***…]) if achieved after December 31, 2016 but on or before December 31, 2017. If the FDA Approval Milestone for the Bile Acid Indications has not been achieved by December 31, 2017, the parties will mutually agree to either (i) further reductions in the FDA Approval Milestone for the Bile Acid Indications for later approvals or (ii) termination of this Agreement. If Buyer fails to deliver to Seller the full FDA Approval Milestone for the Bile Acid Indication on or before the FDA Approval Milestone Payment Date, Buyer shall have an additional seven (7) days in which cure such payment, during which time the late charges contemplated by Section 3.6(g) shall accrue and become payable to Seller.

(b) CTX Indication. Retrophin will pay Asklepion an additional FDA Approval Milestone of nine million dollars ($9,000,000) on the applicable FDA Approval Milestone Payment Date provided the approved labeling includes an indication statement for the treatment of children and adults for Cerebrotendindous Xanthomatosis (the "**CTX**

***Confidential Treatment Requested

Indication"). The FDA Approval Milestone for the CTX Indication shall be paid in shares of Retrophin common stock, calculated based on the last reported sale price regular way on the trading day immediately preceding the Effective Date or, in case no such reported sale takes place on such day, the average of the last closing bid and ask prices regular way, in either case, on the NASDAQ Global Market, and any such shares that may be so issued shall not be subject to any Liens or restrictions on transferability other than such restrictions contained under Rule 144 promulgated under the Securities Act of 1933, as amended (the "**Securities Act**").

3.4 Contingent Payments. Following the First Commercial Sale of Cholic Acid Product, Retrophin will, within forty five (45) days of the end of the first calendar quarter in which cumulative Cholic Acid Product Net Revenues meet the thresholds below, make the following Contingent Payments to Asklepion. The Contingent Payments will be paid one-time only upon the first achievement of cumulative Net Revenues for Cholic Acid Products. The Contingent Payments will be paid in cash or, upon the mutual agreement of the Parties, in shares of Retrophin common stock calculated based on the last reported sale price regular way on the last trading day of the applicable calendar quarter or, in case no such reported sale takes place on such day, the average of the last closing bid and ask prices regular way, in either case, on the NASDAQ Global Market, and any such shares that may be so issued shall not be subject to any Liens or restrictions on transferability other than such restrictions contained under Rule 144 promulgated under the Securities Act, or a combination of cash and shares of Retrophin common stock.

Cumulative Cholic Acid Product Net Revenues Threshold		**Contingent Payment**	
$	[…***…]	$	[…***…]
$	[…***…]	$	[…***…]
$	[…***…]	$	[…***…]
$	[…***…]	$	[…***…]

***Confidential Treatment Requested

3.5 Product Royalties.

(a) Cholic Acid Product. In addition to the above payments, Retrophin will, no later than forty five (45) days following the close of each calendar quarter, pay Asklepion tiered Royalties based on annual Net Revenues of Cholic Acid Product as set forth below:

Annual Net Revenues of Cholic Acid Product		Royalty Rate Percent Net Revenues
$	[…***…]	[…***…]%
>$	[…***…]	[…***…]%
>$	[…***…]	[…***…]%

(b) […***…]. In the event that the FDA approves the Cholic Acid Product NDA for the […***…], Retrophin will, thereafter pay to Asklepion no later than forty five (45) days following the close of each calendar quarter, Royalties equal to […***…] of Net Sales of Chenodal in the United States.

3.6 Payment Terms.

(a) Manner of Payment. All payments to be made by Retrophin under this **Article 3** will be made in U.S. dollars by wire transfer to such bank account as Asklepion may designate.

(b) Records and Audits. Retrophin shall keep, and shall cause each of its Affiliates and licensees, to keep adequate books and records of accounting for the purpose of calculating all Contingent Payments and Royalties payable to Asklepion under Sections 3.4 and 3.5. For the seven (7) years next following the end of the calendar year to which each shall pertain, such books and records of accounting (including those of Retrophin's Affiliates and licensees) shall be kept at each of their principal place of business and shall be open for inspection at reasonable times and upon reasonable notice by an independent certified accountant selected by Asklepion, and which is reasonably acceptable to Retrophin, for the sole purpose of inspecting the Contingent Payments and Royalties due to Asklepion under this Agreement. In no event shall such inspections be conducted hereunder more frequently than once every twelve (12) months. Such accountant must have executed and delivered to Retrophin and its Affiliates or licensees, a confidentiality agreement as reasonably requested by Retrophin, which shall include provisions limiting such accountant's disclosure to Asklepion to only the results and basis for such results of such inspection. The results of such inspection, if any, shall be binding on both Parties. Any underpayments shall be paid by Retrophin within thirty (30) days of notification of the results of such inspection. Any overpayments shall be fully creditable against amounts payable in subsequent payment periods. Asklepion shall pay for such

***Confidential Treatment Requested

inspections, except that in the event there is any upward adjustment in aggregate Contingent Payments and/or Royalties payable for any calendar year shown by such inspection of more than […***…] of the amount paid, Retrophin shall reimburse Asklepion for any reasonable out-of-pocket costs of such accountant.

(c) Reports and Royalty and Contingent Payments. For as long as Contingent Payments or Royalties are due under Sections 3.4 or 3.5, Retrophin shall furnish to Asklepion a written report (each, a "**Report**") for each calendar quarter, showing the amount of Net Sales of Products and Net Revenues in respect of Products and, as applicable, any Contingent Payment or Royalty due for such calendar quarter under Sections 3.4 or 3.5. Reports shall be provided within thirty (30) days of the end of the quarter for Net Sales and Net Revenues generated by Retrophin and its Affiliates, and within forty-five (45) days of the end of the quarter for Net Sales and Net Revenues generated by licensees. Royalty for each calendar quarter shall be due at the same time as such written Report for the calendar quarter. The Report shall include, at a minimum, the following information for the calendar quarter, each listed by Product and region: (i) the number of units of Products sold by Retrophin and its Affiliates and licensees on which Contingent Payments or Royalties are owed to Asklepion hereunder; (ii) the gross amount received for such sales; (iii) deductions taken from Net Sales as specified in the definition thereof; (iv) Net Sales and (v) Net Revenues. All Reports shall be treated as Confidential Information of Retrophin.

(d) Disputed Reports. Each Report shall be final, binding and conclusive, unless Seller or its designee notifies Buyer in writing of any disagreement therewith (an "**Objection Notice**") within thirty (30) after its receipt thereof, specifying (a) those items as to which there is disagreement and (b) a reasonably detailed description of the basis, nature, dollar amount and extent of the dispute or disagreement. If Seller delivers an Objection Notice within such period, then for a period of twenty (20) business days from the date of delivery of the Objection Notice, Buyer shall afford Seller and its agents or other representatives with reasonable access during normal business hours to the books and records of Buyer and its licensees so as to enable its review of the Report and the information contained therein. Buyer and Seller shall attempt in good faith to resolve such dispute, and any resolution by them as to any disputed amounts shall be final, binding and conclusive. If Buyer and Seller are unable to resolve all disputes reflected in the Objection Notice within twenty (20) business days after the date of delivery of the Objection Notice (or such longer period as Buyer and Seller may mutually agree upon), then Buyer and Seller shall request Ernst & Young (the "**Independent Accounting Firm**") to resolve any remaining disagreements. Buyer and Seller shall use their commercially reasonable efforts to cause the Independent Accounting Firm to make its determination within thirty (30) days of accepting its selection. The determination by the Independent Accounting Firm shall be final, binding and conclusive on Buyer and Seller and shall not be appealable. Buyer and Seller shall deliver to the Independent Accounting Firm all work papers and back-up materials relating to the unresolved disputes requested by the Independent Accounting Firm to the extent available to Buyer, Seller and their respective agents or other representatives. Buyer and Seller shall be afforded the opportunity to present to the Independent Accounting Firm any material related to the unresolved disputes and to discuss the issues with the Independent Accounting Firm; provided, however, that no such presentation or discussion shall occur without the presence of agents or other representatives of the Buyer and Seller. The determination of the Independent Accounting Firm shall be limited to the disagreements submitted to the Independent

***Confidential Treatment Requested

Accounting Firm. Upon resolution by the Independent Accounting Firm to its satisfaction of all such disputed matters, the Independent Accounting Firm shall cause to be prepared and shall deliver to Buyer and Seller a final Report setting forth the Net Sales and Net Revenues for the Products in respect of the calendar quarter at issue in the disputed Reported, and the date of such delivery by the Independent Accounting Firm shall be deemed the date on which the Report and the Net Sales and Net Revenues for the Products in respect of the calendar quarter at issue in the disputed Reported shall become final, binding and conclusive. The fees and expenses of the Independent Accounting Firm shall be borne equally by Seller and Buyer.

(e) Marketing and Sale of Cholic Acid Product. From and after the Closing Date, Buyer shall, and shall cause its Affiliates and its and its Affiliates' successors and assigns to:

(i) keep complete, true and accurate books and records of all Net Sales and Net Revenues and deliver to Seller or its Affiliates, successors or assigns, the U.S. Commercialization Plan on an annual basis;

(ii) use Commercially Reasonable Efforts to commercialize, including development to support commercialization as commercially reasonable, the Cholic Acid Product in the United States in a manner consistent with the U.S. Commercialization Plan and in the rest of the world;

(iii) if, at any time, Buyer, its Affiliates, or any of their respective successors or assigns shall (A) consolidate with or merge with or merge into any other Person, or (B) sell, assign, convey, transfer, license, sublicense, lease or sublease all or any portion of the Assets, give a written notice to Asklepion or its designee (or their respective successors or assigns) setting forth the name and address of any such Person with which Buyer, its Affiliates or their respective successors or assigns engaged in such transaction described in clauses (A) and/or (B), together with the name, telephone number, facsimile number and email address of an individual contact at such Person and will provide a copy of such notice to such Person; provided, however, that if any such Person with which Buyer, its Affiliates or any of their respective successors or permitted assigns engages in a transaction contemplated by clauses (A) and/or (B) owns, holds or commercializes a […***…], then the assignment of this Agreement in connection with or pursuant to such transaction shall be permitted if, following the approval of Seller or its successors or permitted assigns (which approval shall not be unreasonably withheld), such Person shall affirmatively undertake to continue to use Commercially Reasonable Efforts with respect to the Cholic Acid Product […***…] owned, held or commercialized by such Person in an amount reasonably sufficient to compensate Seller or its successors or permitted assigns for […***…].

(iv) promptly furnish to Seller written notice of (A) the termination of any material contract with respect to the Cholic Acid Product, including, but not limited to, any Material Supplier Contract or Initial Distributor Agreement, that could have a material adverse effect on the business, financial condition or results of operation of the Buyer, taken as a whole,

***Confidential Treatment Requested

or (B) any material breach by any party to any Material Supplier Agreement or Initial Distributor Agreement;

(v) comply with all Applicable Laws with respect to the marketing, promotion and commercialization of the Cholic Acid Product, except where the failure to comply would not have a material adverse effect on the business, financial condition or results of operation of the Buyer, taken as a whole;

(vi) Retrophin shall perform its obligations under this Agreement and shall conduct its business in compliance with Applicable Law where the failure to comply would not have a material adverse effect on the business, financial condition or results of operation of the Buyer, taken as a whole. Without limiting the generality of the foregoing: (a) Retrophin shall ensure that all of its employees and consultants comply with Applicable Law, and shall implement and maintain policies and procedures to ensure such compliance, including maintaining a corporate compliance program that will include compliance monitoring focused on specific risk areas, including off-label promotion, fraud and abuse, and false claims, for the purpose of assessing whether Retrophin's policies and procedures are being followed; and (b) Retrophin shall, and shall ensure that all of its employees and consultants, comply the Anti-Corruption Laws;

(vii) for the Competition Period not, directly or indirectly, (A) manufacture, produce, market, commercialize or supply any Competitive Product, without the prior written consent of Seller, or (B) acquire, own an interest in, manage, operate, join, control, lend money or render financial or other assistance to or participate in or be connected with, as an officer, employee, partner, stockholder, consultant or otherwise, any Person that competes in manufacturing, producing, marketing or supplying any Competitive Product; provided, that the provisions of this Section 3.6(e)(vii) shall not apply to […***…].

The Parties agree that the covenant set forth in Section 3.6(e)(vii) is reasonable with respect to duration and scope and necessary to protect the legitimate interests of Seller and its Affiliates, and that any violation thereof would cause irreparable injuries. Therefore, Buyer, on behalf of itself and its Affiliates and their respective successors and assigns, acknowledges and agrees that, in the event of a violation by Buyer or its Affiliates of any of the restrictions contained in Section 3.6(e)(vii), Seller or its Affiliates or their respective successor or assigns shall be entitled to obtain from any court of competent jurisdiction temporary, preliminary and permanent injunctive relief, in addition to any other rights Seller or its Affiliates or their respective successor or assigns may be entitled. In addition, if the final judgment of any such court declares that any term or provision of Section 3.6(e)(vii) is invalid or unenforceable, the Parties agree that the court making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration, or area of the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and Section 3.6(e)(vii) shall be enforceable as so modified.

(f) Taxes. Retrophin may withhold from payments due to Asklepion amounts for payment of any withholding tax that is required by law to be paid to any taxing authority with

***Confidential Treatment Requested

respect to such payments. Retrophin will give proper evidence from time to time as to the payment of any such tax.

(g) Late Charge. If Retrophin fails to make any payment under this Agreement or any Ancillary Agreement timely when due, Retrophin shall pay to Asklepion, in addition to any other sum due Asklepion under this Agreement or any Ancillary Agreement, a late charge equal to [… ***…] of such past due payment, compounding monthly (the "**Late Charge**"), which Late Charge is a reasonable estimate of the losses that may be sustained by Asklepion due to the failure of Retrophin to make timely payments. The Late Charge shall be due whether or not Asklepion declares a breach of this Agreement or otherwise demands immediate payment of the sums due under this **Article 3**. The right to impose the Late Charge shall not constitute a grace period or provide any right of Retrophin to make a payment other than on its due date. It is hereby expressly agreed that such Late Charge is to compensate Asklepion for costs incurred in connection with the administration of such late payment, and does not constitute a penalty. The Late Charge is in addition to, and not in any way in limitation of, any other money due by Retrophin under this Agreement or any Ancillary Agreement by reason of such late payment or otherwise.

3.7 Cholic Acid Product Inventory Payment.

(a) No more than five (5) days after the Closing Date, Retrophin will pay to Asklepion an amount in cash by wire transfer of immediately available funds equal to the cost (the "**Pre-Closing Inventory Cost**") of the Cholic Acid Product Inventory, determined based upon a physical inventory of the Cholic Acid Product Inventory completed no earlier than three Business Days prior to the Closing Date.

(b) Within three Business Days after the Closing Date (the "**Physical Inventory Date**"), Retrophin shall be permitted to conduct a physical inventory of the Cholic Acid Product Inventory or to request from Asklepion its work paper or other supporting documentation with respect to the cost (the "**Closing Inventory Cost**") of the Cholic Acid Product Inventory as of the Closing Date, and shall deliver to Asklepion a notice (the "**Inventory Notice**") setting forth the Closing Inventory Cost, including the supporting detail thereof based on the physical inventory or work papers and supporting documentation, within five days after the Physical Inventory Date; provided that, if Retrophin shall not deliver an Inventory Notice to Asklepion on or prior to the Physical Inventory Date, then Buyer shall be deemed to have accepted Pre-Closing Inventory Cost and the Cholic Acid Product Inventory and cost thereof shall be determined to be final and binding on Retrophin and Asklepion.

(c) Asklepion shall have five days to review any Inventory Notice and to notify Retrophin in writing of any objections thereto. Within three days after Retrophin's receipt of objections (if any) to the Inventory Notice from Asklepion, Retrophin shall notify Asklepion in writing if it accepts or rejects all or any portion of such objections; provided that, if Retrophin shall not deliver any response to the Seller in writing on or prior to the expiration of such 5-day period, then Retrophin shall be deemed to have accepted Asklepion's objections to the Inventory Notice and Asklepion's determination of the Closing Inventory Cost, which shall be determined to be final and binding on Retrophin and Asklepion. If Buyer does not accept all of Asklepion's objections to the Inventory Notice, then Retrophin and Asklepion shall attempt to resolve any objections in good faith for a period of ten days. If the Parties shall be unable to resolve any

***Confidential Treatment Requested

objections to the Inventory Notice or the determination of the Closing Inventory Cost, then either Retrophin or Asklepion shall be permitted, at its sole cost or expense, to submit any remaining objections to the Independent Accounting Firm for resolution within ten days after engagement. The Independent Accounting Firm shall issue a written statement as to its resolutions of any outstanding objections to the Inventory Notice or the determination of the Closing Inventory Cost, which determination and the Inventory Notice shall be determined to be final and binding on Retrophin and Asklepion. The Independent Accounting Firm shall consider only those items and amounts that were set forth in the written notices of Retrophin and Asklepion and that remain unresolved. In resolving any Item of dispute, the Independent Accounting Firm may not assign a value to any item greater than the greatest value for such item claimed by either Party or less than the smallest value for such item claimed by either Party.

(d) If, following the final determination of the Closing Inventory Cost pursuant to this Section 3.7, the Closing Inventory Cost exceeds the Pre-Closing Inventory Cost, then Asklepion shall pay Retrophin by check or wire transfer of immediately available funds to an account designated by Retrophin in writing an amount equal to such excess within three (3) Business Days after date on which the Closing Inventory Cost is determined to be final. If, however, the Pre-Closing Inventory Cost exceeds the Closing Inventory Cost, then Retrophin shall pay Asklepion an amount equal to such excess within three (3) Business Days after date on which the Closing Inventory Cost is determined to be final.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF SELLER

Except as set forth on the Seller's disclosure schedule attached hereto and incorporated herein, comprising schedules numbered according to the sections of this **Article 4** and as specifically set forth herein (the "**Seller's Disclosure Schedule**"), with each exception set forth in the Seller's Disclosure Schedule deemed to qualify (a) the corresponding representation and warranty set forth in this Agreement that is specifically identified (by cross-reference or otherwise) in the Seller's Disclosure Schedule and (b) all other representations and warranties to the extent the relevance of such exception to such other representation and warranty is reasonably clear, Seller hereby represents and warrants to Buyer as of the Effective Date and as of the Closing Date (except if another date is specified in the representation or warranty) as follows:

4.1 Organization; Subsidiary. Seller is a business entity duly organized, validly existing and in good standing under the laws of Delaware. Seller has the requisite power and authority to own, lease and operate the properties now owned, leased and operated by it and to carry on its business as currently conducted. Seller is duly qualified to do business as a foreign entity in each jurisdiction in which the nature of its business or the character of its properties makes such qualification necessary, except where the failure to do so would not have a material adverse effect on the Seller or any of the Assets, taken as a whole.

4.2 Authority and Enforceability. Seller has the requisite power and authority to enter into this Agreement and each of the Bill of Sale, Assignment and Assumption Agreement, the Escrow Agreement and the Security Agreement, in each case, to which it is a party

(collectively the "**Ancillary Agreements**"), and to perform its obligations hereunder and thereunder. Seller has taken all necessary action on its part to authorize the execution and delivery of this Agreement and each Ancillary Agreement to which it is a party, and the performance of its obligations hereunder and thereunder. This Agreement has been, and each Ancillary Agreement to which it is a party will be, duly and validly executed and delivered by Seller and this Agreement is, and each Ancillary Agreement to which it is a party will be, the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, except that such enforceability may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting or relating to creditors' rights generally, and is subject to general principles of equity.

4.3 No Violation, Etc. The execution and delivery of this Agreement and the performance of the Seller's obligations hereunder does not, and the execution and delivery of each Ancillary Agreement to which it is a party and the performance of the Seller's obligations thereunder will not, (a) violate or conflict with any provision of the certificate of formation or limited liability company agreement of Seller, (b) violate, or conflict with, or result in a breach of any provision of, or constitute a default or give rise to any right of termination, cancellation or acceleration (with the passage of time, notice or both) under any Assigned Contract, (c) violate any Applicable Law which Seller or any of the Assets are subject or (d) result in any Lien on the Assets. Without limiting the foregoing, Seller has not granted any right to any Third Party which would conflict with the conveyance of the Assets to Buyer.

4.4 No Consents and Approvals. Except for the consents to assign the Assigned Contracts, no permit, consent, approval or authorization of, or notice, declaration, filing or registration with, any governmental authority or Third Party is or will be necessary in connection with the execution and delivery by Seller of this Agreement and each Ancillary Agreement to which it is a party or the performance by Seller of its obligations hereunder and thereunder.

4.5 Litigation. There is no litigation, proceeding, arbitration, or, to the Seller's Knowledge, investigation pending against the Seller or its Affiliates, or to Seller's Knowledge, threatened with respect to the Assets or the transactions contemplated herein.

4.6 Compliance with Law. Seller has complied with the Applicable Laws and has conducted, and, to Seller's Knowledge, each of Seller's contractors or consultants have conducted, all development and commercialization activities related to the Cholic Acid Product in accordance with the Applicable Laws, except, in each case, where the failure to comply would not have a material adverse effect on development and/or commercialization of Cholic Acid Product.

4.7 Assets. Seller has, and on the Closing Date will convey and transfer to Buyer, legal, equitable and valid title to, or a valid lease or license to use, each and all of the Assets, free and clear of any and all Liens. The Assets constitute all assets (tangible and intangible) of Seller relating to the development, manufacture and commercialization of the Cholic Acid Product as currently held by Seller as of the Effective Date.

4.8 Product Data Assets. Seller has made available to Buyer in the Electronic Data Room true, correct and complete copies of all tangible embodiments in Seller's possession or

control of the Cholic Acid Product Data Assets. The Product Data Assets constitute all information in the possession or control of Seller or its Affiliates in the development, manufacture and commercialization of the Cholic Acid Product, including efficacy, side effects, injury, toxicity or sensitivity, reaction and incidents or severity thereof, associated with any clinical use, studies, investigations or tests with such Cholic Acid Product (animal or human), whether or not determined to be attributable to such Cholic Acid Product. Neither Seller nor its Affiliates have employed, or, to Seller's Knowledge, used a contractor or a consultant that employs, any individual or entity debarred by the FDA, or any individual who or entity which is the subject of any FDA debarment investigation or proceeding.

4.9 Assigned Contracts. The **Assigned Contracts Schedule** lists all material Seller contracts relating to the Cholic Acid Product. Seller has made available to Buyer in the Electronic Data Room true, correct and complete copies of the Assigned Contracts (including amendments thereto). The Assigned Contracts are valid and binding obligation of the parties thereto, enforceable in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting or relating to creditors' rights generally, or general principles of equity. As applicable, Seller has duly performed all of its obligations under the Assigned Contracts to the extent that such obligations to perform have accrued; and no breach or default by Seller, alleged breach or default by Seller, or event which would (with the passage of time, notice or both) constitute a breach or default by Seller thereunder has occurred. Seller has not received written notice of default or breach under the Assigned Contracts. Assuming the receipt of all consents to assign the Assigned Contracts, the execution, delivery and performance of this Agreement or any Ancillary Agreement and the consummation of the transactions contemplated hereby and thereby will not result in a breach of or default under any Assigned Contract, will not terminate any rights of, or accelerate any obligation of, Seller under any Assigned Contract and do not require any consent, approval, waiver or other action by any party to any Assigned Contract.

4.10 Intellectual Property.

(a) Seller is the sole and exclusive owner of all right, title and interest in the Cholic Acid Product IP.

(b) Seller has sufficient right to transfer and convey and is not obligated to pay, and immediately following the Closing Date, Buyer will not be obligated to pay, any Person any royalty, fee or other consideration with respect to the use of the Cholic Acid Product IP, other than the Consideration payable to Seller pursuant to **Article 3**. Without limiting the generality of the last sentence of Section 4.3, Seller has not previously granted any rights to any Third Party that conflict with or are otherwise inconsistent with conveyance of the Cholic Acid Product IP to Buyer as provided herein and further represent and warrant that, except as set forth in this Agreement and the Ancillary Agreements, the Seller has not entered into any agreement pursuant to which it has assigned or otherwise disposed of any interest it has in, to, or under any Cholic Acid Product IP, or has agreed to do any of the foregoing in the future.

(c) No written claim has been received by Seller or, to Seller's Knowledge are there any facts or circumstances which would result in receipt of a claim against Seller, nor has Seller received written notice of any threatened claim with respect to any Cholic Acid Product IP

that alleges that such Intellectual Property, or the use or exploitation thereof, infringes or misappropriates the Intellectual Property rights of any Third Party, and Seller has not threatened or initiated any claim against any Third Party alleging that such Third Party infringes or has misappropriated any Cholic Acid Product IP.

(d) To the Knowledge of Seller, Seller has taken reasonable measures to protect and preserve the confidentiality of any trade secrets included in the Cholic Acid Product Know-How.

(e) None of the Cholic Acid Product IP (i) is the product or subject of any joint development activity or agreement with any Third Party; (ii) is the subject of any consortia agreement or cross-license; and/or (iii) has been financed in whole or in part by any Third Party. To the Knowledge of Seller, Seller has not used any Intellectual Property in connection with the commercialization of the Cholic Acid Product that Seller does not own and that Buyer is not free to use without liability, subject to the terms of this Agreement.

(f) To the Knowledge of Seller, no invention included in the Cholic Acid Product IP, including the manufacture or use thereof, infringes or misappropriates any Intellectual Property right of any Third Party.

4.11 Cholic Acid Product Inventory.

(a) To the Knowledge of Seller, all of the Cholic Acid Product Inventory (i) meets the specifications therefor, and (ii) is free from known defects and damage and is usable in the ordinary course.

(b) The **Cholic Acid Product Inventory Schedule** sets forth a true and complete listing of the Cholic Acid Product Inventory held by Seller as of December 30, 2014 by work in process inventory and finished product.

4.12 Solvency. Upon and immediately following the Closing Date, after giving effect to all of the transactions contemplated by and in this Agreement (including the payment of the Effective Date Payment and the assumption by Buyer of the Assumed Liabilities in accordance herewith), to Seller's Knowledge, Seller will not be insolvent and will have sufficient capital to continue in business and pay its debts as they become due.

4.13 Absence of Certain Practices. To Seller's Knowledge, no director, manager, officer or employee of Seller or other Person acting on Seller's behalf, directly or indirectly, has given, made or agreed to give or make any material or illegal commission, payment, gratuity, gift, political contribution or other similar benefit to any employee or official of any governmental entity or any other Person who is or may be in a position to help or hinder such Seller or assist such Seller in connection with any proposed transaction.

4.14 Brokers, Finders, Etc. Seller has not entered into any brokerage or other agreement contemplating commissions or other payments payable upon sale or conveyance of the Assets as provided herein or otherwise upon consummation of the transactions contemplated hereby. All negotiations relating to this Agreement and the transactions contemplated hereby have been carried on without the intervention of any Person acting on behalf of Seller in such

manner as to give rise to any valid claim against Buyer for any brokerage or finder's commission, fee, or similar compensation.

4.15 Reliance. Seller recognizes and agrees that, notwithstanding any investigation by Buyer, Buyer is relying upon the representations and warranties made by Seller in this **Article 4**.

4.16 No Filing Misrepresentations; Cholic Acid Product Approvals and Commitments in the US.

(a) To the Seller's Knowledge, Seller has not, with respect to the Cholic Acid Product: (a) made any untrue statement of material fact or fraudulent statement to the FDA, EMA, or any other equivalent foreign agency; (b) failed to timely disclose a material fact required to be disclosed to the FDA, EMA, or any other or any equivalent foreign agency; or (c) committed an act, made a statement, or failed to make a statement that would reasonably be expected to provide the basis for the FDA to invoke its policy respecting "Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities," as set forth in 56 Fed. Reg. 46191 (September 10, 1991).

(b) Except for any information or materials with respect to the CTX Indication, Seller has made available to Buyer in the Electronic Data Room all material correspondence between Seller and the FDA (including submission cover sheets) relating to the Seller's submission for approval and approval of the Cholic Acid Product NDA in the United States since January 1, 2012, as well as such additional materials contemplated by such correspondence as were reasonably requested by Buyer, in each case, that relate to the indications for product approval for the Cholic Acid Product NDA, the likelihood of approval of the Cholic Acid Product NDA, the timing of approval of the Cholic Acid Product NDA, the timing of approval of the Cholic Acid Product NDA and any post-approval obligations within the United States.

(c) **Schedule 4.16(c)** sets forth a true and complete description or listing of (i) postmarketing requirements ("**PMRs**") for studies and clinical trials that sponsors are required to conduct under Applicable Law, and (ii) postmarketing commitments ("**PMCs**") for studies or clinical trials that a sponsor has agreed to conduct, but that are not required by Applicable Law.

4.17 Development Plans. Seller is not developing, and, to the Seller's Knowledge, Seller's principle investigators, […***…], are not […***…].

4.18 Exclusive Representations and Warranties. Other than the representations and warranties set forth in this **Article 4** of this Agreement or in any Ancillary Agreement, Seller is not making any representations or warranties, express or implied.

***Confidential Treatment Requested

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Seller as of the Effective Date and as of the Closing Date as follows:

5.1 Organization. Buyer is organized, validly existing and in good standing under the laws of state of Delaware. Buyer has the requisite power and authority to own, lease and operate the properties now owned, leased and operated by it and to carry on its businesses as currently conducted. Buyer is duly qualified to do business as a foreign entity in each jurisdiction in which the nature of its business or the character of its properties makes such qualification necessary, except where the failure to do so would not have a material adverse effect on Buyer.

5.2 Authority and Enforceability. Buyer has the requisite power and authority to enter into this Agreement and each Ancillary Agreement to which it is a party and to perform its obligations hereunder and thereunder. Buyer (including its board of directors) has taken all necessary action on its part to authorize the execution and delivery of this Agreement and each Ancillary Agreement to which it is a party, and the performance of its obligations hereunder and thereunder. No vote of Buyer's stockholders is needed to approve this Agreement, each Ancillary Agreement to which Buyer is a party or the transactions contemplated hereby, including the issuance of any shares of common stock to Seller. This Agreement and each Ancillary Agreement to which it is a party has been duly and validly executed and delivered by Buyer, and is the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms.

5.3 No Violation, Etc. The execution and delivery of this Agreement and each Ancillary Agreement to which it is a party and the performance of the obligations hereunder and thereunder by Buyer does not and will not (a) violate or conflict with any provision of the charter documents of Buyer, (b) violate, or conflict with, or result in a breach of any provision of, or constitute a default or give rise to any right of termination, cancellation or acceleration (with the passage of time, notice or both) under any agreement, lease, instrument, obligation, understanding or arrangement, oral or written, to which Buyer or its Affiliate is a party or by which any of Buyer's properties or assets is subject, or (c) violate any Applicable Law which Buyer or any of its properties or assets are subject.

5.4 No Consents and Approvals. No permit, consent, approval or authorization of, or notice, declaration, filing or registration with, any governmental authority or Third Party is or will be necessary in connection with the execution and delivery by Buyer of this Agreement and each Ancillary Agreement to which it is a party or the performance by Buyer of its obligations hereunder and thereunder.

5.5 Brokers, Finders, Etc. Buyer has not entered into any brokerage or other agreement contemplating commissions or other payments payable upon sale or conveyance of the Assets as provided herein or otherwise upon consummation of the transactions contemplated hereby. All negotiations relating to this Agreement and the transactions contemplated hereby have been carried on without the intervention of any Person acting on behalf of Buyer in such

manner as to give rise to any valid claim against Seller for any brokerage or finder's commission, fee, or similar compensation.

5.6 SEC Reporting. Buyer has timely filed all reports, schedules, forms, statements and other documents required to be filed by Buyer (hereinafter "**SEC Reports**") under the Securities Act of 1933, as amended, and the rules and regulation promulgated thereunder (the "**Securities Act**") and the Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (the "**Exchange Act**"). As of their respective dates, the SEC Reports complied in all material respects with the requirements of the Exchange Act, or the Securities Act, as the case may be, and the rules and regulations of the U.S. Securities and Exchange Commission promulgated thereunder. None of the SEC Reports, including any financial statements or schedules included or incorporated by reference therein (the "**Financial Statements**"), at the time filed or, if amended or superseded by a subsequent filing, as of the date of the last such amendment or superseding filing, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The Financial Statements and the related notes have been prepared in accordance with accounting principles generally accepted in the United States, consistently applied, during the periods involved (except (i) as may be otherwise indicated in the Financial Statements or the notes thereto, or (ii) in the case of unaudited interim statements, to the extent they may not include footnotes, may be condensed or summary statements or may conform to the SEC's rules and instructions for Quarterly Reports on Form 10-Q) and fairly present in all material respects the consolidated financial position of Buyer and its subsidiaries as of the dates thereof and the consolidated results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments).

5.7 Financing. Buyer has, and will on the Closing Date have, sufficient funds to consummate the transactions contemplated by this Agreement, and Buyer understands that under the terms of this Agreement, Buyer's consummation of the transactions contemplated hereby is not in any way contingent upon or otherwise subject to (a) Buyer's consummation of any financial arrangements or Buyer's obtaining of any financing or (b) the availability, grant, provision or extension of any financing to Buyer. Buyer has and reasonably expects that Buyer, its Affiliates and/or their respective successors and assigns will maintain for so long as it commercializes the Cholic Acid Product, appropriate financing or sources of liquidity to commercialize the Cholic Acid Product in the United States and the rest of the world consistent with the provisions of this Section 3.6(e);

5.8 Compliance with Law. Buyer has complied with the Applicable Laws with respect to the development, promotion, marketing and sales of its products, and has conducted, and, to Buyer's knowledge, each of Buyer's contractors or consultants have conducted, all development and commercialization activities related to the development, promotion, marketing and sales of its products with the Applicable Laws, except, in each case, where the failure to comply would not have a material adverse effect on the business, financial condition or results of operation of the Buyer, taken as a whole.

5.9 Reliance. Buyer recognizes and agrees that, notwithstanding any investigation by Seller, Seller are relying upon the representations and warranties made by Buyer in this **Article**

5. Without limiting the representations or warranties of Seller set forth in **Article 4**, Buyer or its representatives have inspected and conducted such reasonable review and analysis of the Assets and the Cholic Acid Product Inventory and the Assumed Liabilities as desired by Buyer. The purchase of the Assets and Cholic Acid Product Inventory and the assumption of the Assumed Liabilities by Buyer and the consummation of the transactions contemplated hereunder by Buyer are not done in reliance upon any warranty or representation by, or information from, Seller or its Affiliates or their respective representatives of any sort, oral or written, except the warranties and representations specifically set forth in this Agreement (including the schedules and exhibits hereto).

5.10 Exclusive Representations and Warranties. Other than the representations and warranties set forth in this **Article 5** of this Agreement or in any Ancillary Agreement, Buyer is not making any representations or warranties, express or implied.

5.11 No Knowledge of Breach. To the Buyer's knowledge, there exists no fact, circumstance or matter which may constitute a breach of any representation or warranty contained in this Agreement by Seller, including any schedule attached hereto.

5.12 Disclaimer. Buyer acknowledges that Seller makes no representation, warranty or guaranty under this Agreement, including pursuant to the representations and warranties contained in **Article 4**, and expressly disclaims all warranties of any kind, concerning the receipt (if at all) of the Cholic Acid Product NDA or the Voucher or the indications for which the Cholic Acid Product NDA may be granted (if at all).

ARTICLE 6
COVENANTS AND AGREEMENTS

6.1 Additional Deliveries. For no additional consideration, from time to time, on and after the Closing Date, at Buyer's reasonable request, Seller shall, and shall cause its Affiliates to, execute and deliver such additional or confirmatory instruments, documents of conveyance, endorsements, assignments and acknowledgments as are reasonably necessary to evidence or vest in Buyer sole and exclusive title in and to the Assets.

6.2 Additional Assistance. For no additional consideration, from time to time, on and after the Closing Date, at Buyer's request, Seller and its Affiliates shall provide reasonable assistance and cooperation to Buyer in connection with the conveyance of the Assets and enforcing and defending statutory protections in and to any Cholic Acid Product IP, and Seller hereby irrevocably designates and appoints Buyer as its agent and attorney-in-fact, coupled with an interest, to act for and on Seller's behalf to execute and file any document and to do all other lawfully permitted acts to further the foregoing with the same legal force and effect as if executed by Seller.

6.3 Noncompetition. During the Competition Period, the Seller and its Affiliates shall not, without the prior written consent of Buyer, directly or indirectly, not, (A) manufacture, produce, market, commercialize or supply any Competitive Product, or (B) acquire, own an interest in, manage, operate, join, control, lend money or render financial or other assistance to or participate in or be connected with, as an officer, employee, partner, stockholder, consultant or

otherwise, any Person that competes in manufacturing, producing, marketing or supplying any Competitive Product. The Parties hereto agree that the covenant set forth in this Section 6.3 is reasonable with respect to its duration and scope and necessary to protect the legitimate interests of Buyer, and that any violation thereof would cause irreparable injuries. Therefore, Seller, on behalf of itself and its Affiliates, acknowledges and agrees that, in the event of a violation by Seller or its Affiliates of any of the restrictions contained in this Section 6.3, Buyer shall be entitled to obtain from any court of competent jurisdiction temporary, preliminary and permanent injunctive relief, in addition to any other rights Buyer may be entitled. If the final judgment of any such court declares that any term or provision of this Section 6.3 is invalid or unenforceable, the Parties agree that the court making the determination of invalidity or unenforceability shall have the power to reduce the scope, duration, or area of the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Section 6.3 shall be enforceable as so modified.

6.4 Supplemental Disclosure. Seller may until the Closing Date promptly supplement or amend the Seller's Disclosure Schedule with respect to any matter hereafter arising or discovered that, if existing or known at the date of this Agreement, would have been required to be set forth or described in the Seller's Disclosure Schedule. In the event that such supplemented or amended Seller's Disclosure Schedule reflects any event, condition or circumstance occurring or arising that is not otherwise prohibited pursuant to Sections 7.1 or 7.2 and which does not have a Material Adverse Effect on the Assets, then prior to the Closing, the specified representations and warranties made by Seller will be deemed automatically modified to reflect such event as of the date that such event occurs or arises. The delivery of any such supplemented or amended Seller's Disclosure Schedule pursuant to this Section 6.4 will be deemed to have cured any misrepresentation or breach of warranty that otherwise might have existed hereunder by reason of such event, condition or circumstance and Buyer will not be entitled to terminate this Agreement nor will any Indemnitee of Buyer have any claim to indemnification or reimbursement for any such event.

6.5 Cooperation with Financials. For 90 days after the Closing Date, Seller shall cooperate, at the sole cost and expense of Buyer, with all reasonable requests of Buyer in connection with preparation of any financial statements for the Assets as may be required by Buyer in connection with disclosure obligations under the U.S. Securities Exchange Act of 1934, as amended, or the rules or regulations promulgated thereunder or any applicable stock exchange rules, including such requests necessary in order (a) to determine whether financial statements for the Buyer with respect to the Assets are required to be prepared under Rule 3-05 of Regulation S-X under the Securities Exchange Act of 1934 ("Post-Closing Financials"), and (b) if Post-Closing Financials statements are required, to prepare and file such financial statements, including assistance in obtaining audited financials of Seller and the associated consent of any auditors of the Seller; provided, however, that the Seller shall have no responsibility or liability for (and Buyer shall indemnify, defend and hold harmless the Seller in respect of) any and all Losses that may be suffered or incurred as a result of such financial statements.

6.6 Material Supplier Contracts. Between the Effective Date and the Closing Date, Seller shall not, and shall cause its subsidiaries not to, enter into or amend any of the following contracts without the prior written consent of Buyer (which consent shall not be unreasonably withheld, conditioned or delayed by Buyer) (the "**Material Supplier Contracts**"):

(a) […***…]

(b) […***…]

(c) […***…]

Buyer shall be deemed for purposes of this Section 6.6 to have consented to Seller's entry into or amendment of any Material Supplier Contract if Buyer shall fail to notify Seller in writing of any objections to such entry into or amendment of any Material Supplier Contract within five days after Seller requests such consent in writing from Buyer. Between the Effective Date and the Closing Date, Seller will keep Buyer reasonably informed of the status and occurrence of material negotiations with respect to any Material Supplier Contract or any amendment thereto, as well as material drafts or material changes in the drafts of any Material Supplier Contract or any amendment thereto.

6.7 Allocation of Expenses and Receivables. Following the Closing:

(a) Allocable Expenses. All accounts payable and expenses (including, without limitation, accounts payables to the Suppliers identified under the arrangements described under the heading "Cholic Acid Commercial Supply Chain as of December 30, 2014" and the expenses related to the […***…] Matter) arising out of or relating to the Assets (such accounts payable and expenses, the "**Allocable Expenses**") in respect of the periods prior to and following the Closing shall be prorated and apportioned as follows: (A) to Asklepion for all periods prior to (but not including) the Closing Date, and (B) to Retrophin for all periods from and after the Closing Date (which shall include the Closing Date). The payment of any Allocable Expenses subject to proration pursuant to this Section 6.7(a) shall be the responsibility of the Party required to pay such Allocable Expense pursuant to this Section 6.7(a).

(b) Allocable Receivables. All accounts receivable arising out of or relating to the Assets (such accounts receivable, the "**Allocable Receivables**") in respect of the periods prior to and following the Closing shall be prorated and apportioned as follows: (A) to Asklepion for all periods prior to (but not including) the Closing Date, and (B) to Retrophin for all periods from and after the Closing Date (which shall include the Closing Date). The collection of any Allocable Receivables subject to proration pursuant to this Section 6.7(b) shall be the responsibility of the Party entitled to be paid such Allocable Receivable pursuant to this Section 6.7(b). If Asklepion collects or receives any Allocable Receivable to which Retrophin is entitled to be paid pursuant to this Section 6.7(b), then Asklepion shall promptly remit the same to Retrophin, at no cost or expense to Retrophin. Additionally, if Retrophin collects or receives any Allocable Receivable to which Asklepion is entitled to be paid pursuant to this Section

***Confidential Treatment Requested

6.7(b), then Retrophin shall promptly remit such Allocable Receivable to Asklepion, at no cost or expense to Asklepion.

ARTICLE 7
CONDITIONS PRECENDENT; CLOSING DATE

7.1 Conditions Precedent of Buyer and Seller. Each of the Party's obligations to consummate the transactions contemplated by this Agreement are subject to the satisfaction or waiver, at or prior to the Closing Date, of each of the following conditions precedent:

(a) No Injunctions or Restraints. No temporary restraining order, preliminary or permanent injunction or other material legal restraint or prohibition issued or promulgated by a governmental authority preventing the consummation of the transactions contemplated by this Agreement shall be in effect, and there shall not be any Applicable Law that makes consummation of the transactions contemplated by this Agreement illegal.

(b) No Governmental Litigation. There shall not be any litigation, proceeding, arbitration, or known investigation commenced by a governmental authority seeking to prohibit, limit, delay, or otherwise restrain the consummation of this Agreement and the transactions contemplated by this Agreement.

7.2 Buyer's Conditions Precedent. The obligations of Buyer to consummate the transactions contemplated by this Agreement are subject to the satisfaction or waiver, at or prior to the Closing Date, of each of the following conditions precedent:

(a) Accuracy of Representations. Each of the representations and warranties made by Seller in this Agreement shall be true and correct in all material respects at and as of the Closing Date (or, if made as of a specified period or date, as of such period or date), except to the extent that such representations and warranties are qualified by the term "material", or words of similar import, in which case such representations and warranties (as so written, including the terms "material", or words of similar import) shall be true and correct in all respects at and as of the Closing Date (or, if made as of a specified period or date, as of such period or date), and the Seller shall have delivered to Buyer a certificate certifying to the effect of the foregoing.

(b) Performance of Covenants. All of the covenants and obligations that Seller is required to comply with or to perform at or prior to the Closing Date shall have been complied with and performed in all material respects, and the Seller shall have delivered to Buyer a certificate certifying to the effect of the foregoing has been satisfied.

(c) Transaction Documents. Seller shall have executed and delivered to Buyer all Ancillary Agreements to which it is a party.

(d) Required Consents. Seller shall have obtained and delivered to Buyer all consents, approvals, or waivers, if any, listed on **Schedule 7.2(d)** of the Seller's Disclosure Schedules.

(e) FDA approval of the Cholic Acid Product NDA Seller shall have obtained FDA approval of the Cholic Acid Product NDA for the Bile Acid Indications.

(f) Materials relating to the CTX Indication. Seller shall have made available to Buyer at or immediately prior to the Closing, information or materials, including, but not limited to, correspondence, reports and filings with FDA and clinical trials and data generated therefrom, with respect to the CTX Indication.

7.3 Seller's Conditions Precedent. The obligations of Seller to consummate the transactions contemplated by this Agreement are subject to the satisfaction or waiver, at or prior to the Closing Date, of each of the following conditions precedent:

(a) Accuracy of Representations. Each of the representations and warranties made by Buyer in this Agreement shall be true and correct in all material respects at and as of the Closing Date (or, if made as of a specified period or date, as of such period or date), except to the extent that such representations and warranties are qualified by the term "material", or words of similar import, in which case such representations and warranties (as so written, including the terms "material", or words of similar import) shall be true and correct in all respects at and as of the Closing Date (or, if made as of a specified period or date, as of such period or date), and the Buyer shall have delivered to Seller a certificate certifying to the effect of the foregoing.

(b) Performance of Covenants. All of the covenants and obligations that Buyer is required to comply with or to perform at or prior to the Closing Date shall have been complied with and performed in all material respects, and the Buyer shall have delivered to Seller a certificate certifying to the effect of the foregoing has been satisfied.

(c) Transaction Documents. Buyer shall have executed and delivered to Seller all Ancillary Agreements to which it is a party.

(d) Effective Date Payment. Buyer shall have made the Effective Date Payment in accordance with Section 3.2.

(e) U.S. Commercialization Plan. Buyer shall have delivered to Seller at or immediately prior to Closing, the U.S. Commercialization Plan for calendar year 2015.

7.4 Closing Date. The consummation of the transactions contemplated by this Agreement (the "**Closing**") shall be conducted telephonically and/or via email, facsimile transfer or other similar means of correspondence on such date to be mutually agreed upon by Buyer and Seller, which date shall be no later than the third business day after all of the conditions set forth in Sections 7.1, 7.2 and 7.3 of this Agreement have been satisfied or waived (other than those conditions which, by their terms, are intended to be satisfied at the Closing), or at such other time and place as Buyer and Seller shall mutually agree. The date on which the Closing actually takes place is referred to in this Agreement as the "**Closing Date**."

ARTICLE 8
INDEMNIFICATION

8.1 By Seller. From and after the Closing Date, to the extent provided in, and subject to the limitations set forth in, this **Article 8**, Seller shall indemnify, defend and hold harmless Buyer and its Affiliates and their respective officers, directors, employees, agents, successors and assigns (the "**Buyer Indemnitee Group**") from and against any Third Party claims, suits or

proceedings and any damages and/or liabilities therefrom or settlement thereof (including reasonable fees of attorneys and court costs) (collectively, "**Losses**") to the extent arising out of or related to (a) any breach of any representation, warranty made by Seller contained in herein, (b) any breach in the performance of any covenant or agreement of Seller contained in this Agreement, (c) any payment obligations under any "bulk transfer" law or similar Applicable Law applicable to the transfer of the Assets to Buyer, and (d) any Excluded Liability.

8.2 By Buyer. From and after the Closing Date, to the extent provided in this **Article 8** , Buyer shall indemnify, defend and hold harmless Seller and its Affiliates and their respective officers, directors, employees, agents, successors and assigns (the "**Seller Indemnitee Group**" and together with the Buyer Indemnitee Group, the "**Indemnitee Groups**" and each, and "**Indemnitee Group**") from and against any Losses to the extent arising out of or related to (a) any breach of any representation, warranty made Buyer contained in this Agreement, (b) any breach in the performance of any covenant or agreement of Buyer contained in this Agreement, (c) any Losses indemnifiable under Section 6.5, and (d) any Assumed Liability.

8.3 Indemnification Procedures. An Party (the "**Indemnitee**") that intends to claim indemnification under this **Article 8** shall promptly notify the other Party (the "**Indemnitor**") in writing of any action, claim or liability in respect to which the Indemnitee or any member of its Indemnitee Group intends to claim such indemnification. The Indemnitee shall permit and shall cause its employees and agents to permit, the Indemnitor, at its discretion, to settle any such action, claim or liability and agrees to the complete control of such defense or settlement by the Indemnitor; provided, however, that such settlement does not materially and adversely affect the Indemnitee's rights hereunder or impose an injunction or equitable relief against the Indemnitee or to compel the Indemnitee to take any action. No such action, claim or liability shall be settled by the Indemnitee without the prior written consent of the Indemnitor (which consent shall not be unreasonably withheld, delayed or conditioned), and the Indemnitor shall not be responsible for any fees or other costs incurred other than as provided herein. The Indemnitee, its employees, agents and Affiliates shall cooperate fully with the Indemnitor and its legal representatives in the investigation and defense of any action, claim or liability covered by this indemnification. The Indemnitee shall have the right, but not the obligation to be represented by counsel of its own selection at its own expense.

8.4 Limitations on Indemnification.

(a) The representations, warranties and covenants of the Parties in this Agreement shall survive the Closing Date and continue in full force and effect for a period of twelve (12) months thereafter; provided that (i) claims related to breaches by Seller of the representations and warranties contained in Section 4.16(a) […***…], (ii) claims related to fraud or willful or intentional misconduct shall survive the Closing Date until the expiration of the date on which the statute of limitations otherwise applicable to such claims has expired, and (iii) any covenants or agreements contained in this Agreement that by their terms are to be performed after the Closing Date shall survive until fully discharged. For the avoidance of doubt, Retrophin's obligations to make any Contingent Payment or Royalty payment

***Confidential Treatment Requested

contemplated by the covenants set forth in Sections 3.3 or 3.4, respectively, shall survive the Closing Date for so long as Retrophin has Net Revenues or Product is otherwise sold.

(b) The Seller shall not be obligated to provide indemnification for Losses in respect of claims made under Section 8.1 unless and until the aggregate of the Losses exceeds […***…] ($[…***…]) (the "**Basket**"), after which point Seller shall be liable for all such Losses dollar for dollar in excess of the Basket, but only to the extent that Losses do not exceed […***…] ($[…***…]) (the "**Cap Amount**"); provided, however, that the Basket and Cap Amount shall not apply, and all Losses of the Buyer Indemnitee Group shall be immediately subject to indemnification, in respect of any Loss (but shall not exceed […***…] ($[…***…]) in the aggregate with respect to (i) claims related to any breach of any representation and warranty contained in Sections 4.2, 4.7, 4.10(b), 4.11(b), 4.16(b) and 4.16(c), and 4.16(a) (but solely to the extent that breaches by Seller of the representations and warranties contained in Section 4.16(a) […***…], such that any and all other breaches by Seller of the representations and warranties contained in Section 4.16(a) shall be subject to the Basket and Cap Amount) (ii) claims related to fraud or willful or intentional misconduct, or (iii) claims made under Section 8.1(c) or (d); provided, further, that any and all such Losses of the Buyer Indemnitee Group described in the foregoing proviso shall be applied against the Cap for purposes of calculating the Seller's aggregate liabilities under this Section 8.4(b). In no event shall the Seller be liable for Losses under this Agreement in an aggregate amount greater than […***…] ($[…***…]) in the aggregate.

(c) The amount of any and all Losses will be determined net of any amounts recovered by the Buyer Indemnitee Group under insurance policies (net of any deductible or self-insurance retention amounts and any increases in premiums resulting therefrom) and any indemnity, contribution or similar payment actually recovered by the Buyer Indemnitee Group thereof from any Third Party with respect to such Losses. Each Indemnitee Group shall use commercially reasonable efforts to mitigate all Losses suffered by it which are subject to indemnification hereunder.

(d) No Indemnity Group shall be entitled to indemnification pursuant this **Article 8** for punitive damages, lost profits, consequential, exemplary or special damages. No Indemnitee Group shall be entitled to any duplicative recovery for the same Loss under this **Article 8** to the extent that any such member of such Indemnitee Group has been expressly compensated for such Loss.

(e) All indemnification payments made pursuant to this **Article 8** shall be treated for tax purposes as adjustments to the Consideration unless otherwise required by Applicable Law.

(f) Buyer acknowledges and agrees that any and all Losses of the Buyer Indemnitee Group in respect of any breach by Seller of the representations and warranties contained in Section 4.11(a) will be recoverable by Buyer solely from […***…].

***Confidential Treatment Requested

8.5 Exclusive Remedy. The Parties acknowledge and agree that, except with respect to claims based on fraud or intentional or willful misrepresentation, claims involving specific performance or other equitable remedies or relief permitted under this Agreement or the Ancillary Agreements, claims involving Buyer's failure to make any payment when due under **Article 3**, claims involving a breach of Buyer's obligations pursuant to Section 3.6(e), or claims involving a breach of Seller's obligations pursuant to Section 6.3 hereof, the foregoing indemnification provisions in this **Article 8** shall be the exclusive remedy for any breach of this Agreement or the Ancillary Agreements and any claims with respect to the transactions contemplated hereby.

ARTICLE 9
TERMINATION

9.1 Termination Prior to Closing Date. Notwithstanding any contrary provisions of this Agreement, the respective obligations of the Parties hereto to consummate the transactions contemplated by this Agreement may be terminated and abandoned at any time at or before the Closing Date only as follows:

(a) At any time, without liability of any Party to the others, upon the mutual written consent of the Buyer and Seller

(b) At any time, upon the mutual written consent of the Buyer and Seller in accordance with Section 3.3(a); or

(c) By either Buyer or Seller, if Seller, on the one hand, or Buyer, on the other hand, has materially breached any representation, warranty, covenant or agreement contained herein (provided that such breach is not the result of any breach of any covenant, representation or warranty by the terminating Party), which breach has not been cured within 30 calendar days following written notice of such breach by the terminating Party, and such breach renders the conditions precedent to the terminating Party's obligation to consummate the transactions contemplated by this Agreement, set forth in **Article 7** incapable of being satisfied.

9.2 Termination After Closing Date. In addition, following the Closing Date, this Agreement may be terminated by the Seller if the FDA Approval Milestone for the Bile Acid Indications is not paid by Buyer in full on or prior to the FDA Approval Milestone Payment Date (after expiration of the 7 day cure period).

9.3 Effect of Termination. In the event of the termination of this Agreement as provided in Sections 9.1 or 9.2, written notice thereof shall forthwith be given to the other party hereto specifying the provision hereof pursuant to which such termination is made, and this Agreement shall forthwith become null and void (except for the provisions of this Section 9.3, the payment made pursuant to Section 3.2, which Seller shall be entitled to retain, **Article 10** and **Article 11**, which shall survive any such termination and, in the case of termination of this Agreement pursuant to Section 9.2, the additional reversion by Buyer to Seller of all right, title and interest and to the Assets to Seller) and there shall be no liability on the part of Buyer or Seller, except for (a) in the case of termination of this Agreement pursuant to Section 9.2, any rights of Seller to reversion by Buyer to Seller of all right, title and interest and to the Assets to

Seller, or (b) damages resulting from any breach of this Agreement or any Ancillary Agreement by Buyer or Seller.

ARTICLE 10
DISPUTE RESOLUTION

10.1 Consent to Jurisdiction; Venue; Service of Process. Each Party hereto, by its execution hereof, (i) hereby irrevocably submits to the exclusive jurisdiction of any New York federal court sitting in the Borough of Manhattan of The City of New York for the purpose of any claim, action, suit, or proceeding among the Parties arising in whole or in part under or in connection with this Agreement (a "**Dispute**"); provided, however, that if such federal court does not have jurisdiction over such Dispute, such Dispute shall be heard and determined exclusively in any New York state court sitting in the Borough of Manhattan of The City of New York, (ii) hereby waives to the extent not prohibited by Applicable Law, and agrees not to assert, by way of motion, as a defense or otherwise, in any such Dispute, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that any such Dispute brought in one of the above-named courts should be dismissed on grounds of *forum non conveniens*, should be transferred or removed to any court other than one of the above-named courts, or should be stayed by reason of the pendency of some other proceeding in any other court other than one of the above-named courts, or that this Agreement or any of the other Ancillary Agreements or the subject matter hereof and thereof may not be enforced in or by such court, and (iii) hereby agrees to commence any such Dispute only before one of the above-named courts. Notwithstanding the immediately preceding sentence, a party may commence any Dispute in a court other than the above-named courts solely for the purpose of enforcing an order or judgment issued by one of the above-named courts.

10.2 Waiver of Jury Trial. TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW THAT CANNOT BE WAIVED, THE PARTIES HERETO HEREBY WAIVE, AND COVENANT THAT THEY WILL NOT ASSERT (WHETHER AS PLAINTIFF, DEFENDANT OR OTHERWISE), ANY RIGHT TO TRIAL BY JURY IN ANY DISPUTE ARISING IN WHOLE OR IN PART UNDER OR IN CONNECTION WITH THIS AGREEMENT, THE OTHER ANCILLARY AGREEMENTS OR ANY OF THE CONTEMPLATED TRANSACTIONS, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. THE PARTIES HERETO AGREE THAT ANY OF THEM MAY FILE A COPY OF THIS PARAGRAPH WITH ANY COURT AS WRITTEN EVIDENCE OF THE KNOWING, VOLUNTARY AND BARGAINED-FOR AGREEMENT AMONG THE PARTIES IRREVOCABLY TO WAIVE ITS RIGHT TO TRIAL BY JURY. ANY DISPUTE WHATSOEVER AMONG THEM RELATING TO THIS AGREEMENT, THE OTHER ANCILLARY AGREEMENTS OR ANY OF THE CONTEMPLATED TRANSACTIONS SHALL INSTEAD BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

10.3 Consent to Service of Process. Each Party hereto hereby agrees that service of any process, summons, notice or document by U.S. registered mail, return receipt requested, at its address specified pursuant to Section 11.8 shall constitute good and valid service of process in

any Dispute among the Parties hereto arising in whole or in part under or in connection with this Agreement or any other Ancillary Agree, and each Party hereto hereby waives and agrees not to assert (by way of motion, as a defense, or otherwise) in any such Dispute any claim that service of process made in accordance with this Section 10.3 does not constitute good and valid service of process.

ARTICLE 11
MISCELLANEOUS

11.1 Confidentiality.

(a) Each Party will treat as confidential the Confidential Information of the other Party, and will take all necessary precautions to assure the confidentiality of such Confidential Information. Each Party agrees to return to the other Party upon the expiration or termination of this Agreement all Confidential Information acquired from such other Party, except as to such information it may be required to retain under Applicable Laws, and except for one copy of such information to be retained by such Party solely to enable it to assess its compliance with the confidentiality provisions of this Section 11.1. From and after the Effective Date through the period ending […***…] after the Effective Date, neither Party shall, without the other Party's express prior written consent, use or disclose any such Confidential Information for any purpose other than to carry out its obligations hereunder. Each Party, prior to disclosure of Confidential Information of the other Party to any employee, consultant or advisor shall ensure that such Person is bound in writing to observe the confidentiality such Party's Confidential Information on terms no less restrictive than those contained herein. The obligations of confidentiality shall not apply to Confidential Information that the receiving Party is required by law or regulation to disclose, provided however that the receiving Party shall so notify the disclosing Party of its intent and cooperate with the disclosing Party on reasonable measures to protect the confidentiality of the Confidential Information. For the avoidance of doubt, either Party may disclose the terms of this Agreement to the extent required, in the reasonable opinion of such Party's legal counsel, to comply with applicable laws, including, without limitation, the rules and regulations promulgated by the United States Securities and Exchange Commission. Notwithstanding the foregoing, before disclosing this Agreement or any of the terms hereof pursuant to this Section 11.1(a), such Party so required to disclose the terms of this Agreement will consult with the other on the terms of this Agreement to be redacted in making any such disclosure. If such disclosing Party discloses this Agreement or any of the terms hereof in accordance with this Section 11.1(a), such disclosing Party agrees, at its own expense, to seek confidential treatment of portions of this Agreement or such terms, as may be reasonably requested by the other. Seller hereby acknowledges and agrees that any Confidential Information of Seller on or before the Closing Date included in the Assets shall be Buyer's Confidential Information after the Closing Date.

(b) No public announcement, news release, statement, publication, or presentation relating to the existence of this Agreement, the subject matter hereof, or either Party's performance hereunder will be made without the other Party's prior written approval, which approval shall not be unreasonably withheld or delayed. The Parties shall not make any joint announcement, news release, statement, publication, or presentation relating to the existence of this Agreement, the subject matter hereof, or either Party's performance hereunder, which such

***Confidential Treatment Requested

announcements, news releases, statements, publications, or presentations shall solely be made separately. If a Party desires to announce or make any news release, statement, publication, or presentation relating to the existence of this Agreement, the subject matter hereof, or either Party's performance hereunder and such public announcement, news release, statement, publication, or presentation contains Confidential Information of the other Party, then at least five days in advance of making any such public announcement, news release, statement, publication, or presentation, such Party shall provide a complete copy thereof to the other for its review and prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed. If the other Party fails to object in writing to all or any portion of such public announcement, news release, statement, publication, or presentation containing Confidential Information of the other Party within five days after being requested to consent thereto, then such Party shall be deemed to have consented to such public announcement, news release, statement, publication, or presentation containing such Confidential Information in whole upon expiration of such 5-day period.

11.2 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute a single document.

11.3 Entire Agreement. This Agreement, and the Exhibits and Schedules referenced herein, the Ancillary Agreements and the other specific agreements contemplated herein or thereby, contain the entire agreement between the Parties with respect to the subject matter hereof and supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter.

11.4 Exhibits and Schedules. The Exhibits and Schedules referenced herein and attached hereto are incorporated into this Agreement by reference.

11.5 Governing Law. This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of New York irrespective of the choice of laws principles of the State of New York.

11.6 Assignability. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. No Party may assign its respective rights or delegate its respective obligations under this Agreement without the express prior written consent of the other Party; provided that either Party may assign or transfer this Agreement, to an Affiliate (provided the assigning Party remains liable hereunder), or to any Third Party in connection with the sale or transfer of the business to which this Agreement relates. Without limiting the foregoing, and for the avoidance of doubt, Buyer may assign or transfer this Agreement, in whole or in part to any Third Party in connection with the sale, license or transfer of any of Buyer's rights in the Product.

11.7 Third Party Beneficiaries. Nothing in this Agreement shall be deemed to create any third party beneficiary rights in or on behalf of any other Person.

11.8 Notices. All notices required to be given hereunder shall be in writing and shall be given by Personal delivery, by an internationally recognized overnight carrier or by registered

or certified mail, postage prepaid with return receipt requested or by email or facsimile transmission. All notices hereunder shall be addressed as follows:

If to Buyer, to:	Retrophin, Inc. 12255 El Camino Real Suite 250 San Diego, CA 92130 Attention: General Counsel
If to Seller, to:	Asklepion Pharmaceuticals, LLC 729 East Pratt St Suite 360 Maryland 21202, USA Attn: Gary R. Pasternack – Chief Executive Officer

Any Party may, by notice to the other Parties given in the form specified in this Section 11.8, change the address to which such notices are to be given. Notices delivered Personally shall be deemed communicated as of actual receipt; notices sent via overnight courier shall be deemed received three Business days following sending; notices mailed shall be deemed communicated as of seven (7) business days after mailing; and notices transmitted by email or facsimile transmission shall be deemed received upon return email or electronic facsimile acknowledgement of receipt.

11.9 Severability. If any provision of this Agreement shall be held invalid, illegal or unenforceable, the validity, legality or unenforceability of the other provisions of this Agreement shall not be affected thereby, and there shall be deemed substituted for the provision at issue a valid, legal and enforceable provision as similar as possible to the provision at issue.

11.10 Survival. Except as expressly set forth herein, the covenants, representations and warranties contained in this Agreement, and liability for the breach of any obligations contained herein, shall survive the Closing Date and shall remain in full force and effect.

11.11 No Implied Waiver. No failure or delay on the part of the Parties hereto to exercise any right, power or privilege hereunder or under any instrument executed pursuant hereto shall operate as a waiver; nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

11.12 Amendments. Any amendment or modification of this Agreement shall only be valid if made in writing and signed by the Parties hereto.

11.13 Independent Contractors. The relationship between Seller on the one hand and Buyer on the other had is that of independent contractors and nothing herein shall be deemed to constitute the relationship of partners, joint venturers nor of principal and agent between Seller on the one hand and Buyer on the other hand.

11.14 Expenses. Except as expressly set forth herein, each Party shall pay all of its own fees and expenses (including all legal, accounting and other advisory fees) incurred in connection with the negotiation and execution of this Agreement and the arrangements contemplated hereby.

11.15 Representation By Counsel; Interpretation. Seller and Buyer each acknowledge that it has been represented by its own legal counsel in connection with this Agreement and the transactions contemplated by this Agreement. Accordingly, any rule of law, or any legal decision that would require interpretation of any claimed ambiguities in this Agreement against the Party that drafted it, has no application and is expressly waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the intent of Seller and Buyer.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, the Parties, intending to be bound hereby, have executed this Agreement as of the date first written above.

"Buyer"

RETROPHIN, INC.

By: /s/ Steve Aselage
Title: Chief Executive Officer

"Seller"

ASKLEPION PHARMACEUTICALS, LLC

By: /s/ Kevin Jackson
Title: Chairman Board of Managers

Exhibit 10.7

Amendment No. 4 to Credit Agreement

This Amendment No. 4 (this "**Amendment**") to that certain Credit Agreement, dated as of June 30, 2014 (as amended by Amendment No. 1 to the Credit Agreement dated as of July 16, 2014, Amendment No. 2 to the Credit Agreement dated as of November 13, 2014, Amendment No. 3 to the Credit Agreement dated as of January 12, 2015 and as otherwise modified prior to the date hereof, the "**Existing Credit Agreement**"), by and among Retrophin, Inc., as borrower (the "**Borrower**"), the Lenders from time to time party thereto and U.S. Bank National Association, as administrative agent and collateral agent (in such capacity, the "**Administrative Agent**"), is dated as of March 24, 2015, by and among the Borrower, the Lenders constituting the Majority Lenders on the signature pages hereto, and the Administrative Agent. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Existing Credit Agreement.

RECITALS

WHEREAS, the Borrower has advised the Majority Lenders that it wishes to amend certain clauses of Section 1.01 of the Existing Credit Agreement on the terms set forth herein and the Majority Lenders have agreed to consent to such amendments.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and undertakings in this Amendment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Defined Terms; References. Unless otherwise specifically defined herein, each term used herein that is defined in the Amended Credit Agreement (as defined below) has the meaning assigned to such term in the Amended Credit Agreement. Each reference in the Existing Credit Agreement to "this Agreement", "hereof", "hereunder", "herein" and "hereby" and each other similar reference, and each reference in any other Loan Document to "the Credit Agreement", "thereof", "thereunder", "therein" or "thereby" or any other similar reference to the Existing Credit Agreement shall, from the Amendment Effective Date (as defined below), refer to the Existing Credit Agreement after giving effect to the amendments herein (the "**Amended Credit Agreement**").

2. Amendments.

(I) Section 1.01 of the Existing Credit Agreement is hereby amended by replacing the definition of "Change of Control" therein in its entirety with the following:

"**Change of Control**" means and shall be deemed to have occurred if:

(a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the "beneficial owner" (as defined

in Rules 13d-3 and 13d-5 under the Exchange Act, except that a person or group shall be deemed to have "beneficial ownership" of all securities that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an "option right")), directly or indirectly, of 35% or more of the equity securities of the Borrower entitled to vote for members of the board of directors or equivalent governing body of the Borrower on a fully diluted basis (and taking into account all such securities that such "person" or "group" has the right to acquire pursuant to any option right); or

(b) a "Change of Control", "Change in Control" or "Fundamental Change" (or an analogous term for any of the foregoing) shall have occurred as defined in the indenture governing the Convertible Notes or under the terms of any instrument evidencing or securing the Indebtedness of the Borrower or any Subsidiary having an outstanding principal amount in excess of $2,000,000.

3. Conditions Precedent. This Amendment shall become effective when, and only when, each of the following conditions shall have been satisfied (the date of satisfaction of such conditions precedent, the "**Amendment Effective Date**"):

(a) the Administrative Agent shall have received a counterpart of this Amendment executed by the Borrower and the Majority Lenders;

(b) the representations and warranties of the Loan Parties contained in the Loan Documents shall be true and correct in all material respects on and as of the Amendment Effective Date except to the extent that such representations and warranties specifically refer to an earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date; *provided* that any such representation and warranty that is qualified by "materiality", "material adverse effect" or similar language shall be true and correct in all respects (after giving effect to any such qualification therein) as of the Amendment Effective Date or such earlier date, as applicable;

(c) the Administrative Agent shall have received payment of all reasonable and documented fees and expenses of counsel for the Administrative Agent as set forth in Section 9.05 of the Existing Credit Agreement; and

(d) no Default or Event of Default shall have occurred and be continuing on the Amendment Effective Date, both immediately prior to and immediately after giving effect to this Amendment.

4. Loan Document. As of the Amendment Effective Date, this Amendment shall be a Loan Document executed pursuant to the Existing Credit Agreement, shall constitute a "Loan Document" for all purposes under the Amended Credit Agreement and (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof.

5. Effect of Amendment. Except as expressly set forth herein, this Amendment shall not by implication or otherwise (i) limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of the Lenders, the Administrative Agent, the Collateral Agent or any other party under the Existing Credit Agreement or any other Loan Document, (ii) alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Existing Credit Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect or (iii) entitle the Borrower or any Guarantor to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Existing Credit Agreement or any other Loan Document in similar or different circumstances. Except as expressly amended or waived hereby, the provisions of the Existing Credit Agreement are and shall remain in full force and effect.

6. Section Captions. Section captions used in this Amendment are for convenience of reference only, and shall not affect the construction of this Amendment.

7. Counterparts. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Amendment by telecopy or other electronic means shall be effective as delivery of a manually executed counterpart of this Amendment.

8. Governing Law. THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed in duplicate as of the day and year first above written.

BORROWER: **RETROPHIN, INC.**

By: /s/ Margaret Valeur-Jensen
Name: Margaret Valeur-Jensen
Title: General Counsel

[*Signature Page to Amendment No. 4*]

ADMINISTRATIVE AGENT:

U.S. BANK NATIONAL ASSOCIATION,
as Administrative Agent

By: /s/ James A. Hanley
Name: James A. Hanley
Title: Vice President

[*Signature Page to Amendment No. 4*]

MAJORITY LENDERS:

Athyrium Opportunities Fund (A) LP,
as Lender

By: Athyrium Opportunities Associates LP, its general partner

By: Athyrium Opportunities Associates GP LLC, its general partner

By: /s/ Jeffery A. Ferrell
Name: Jeffrey A. Ferrell
Title: President

Athyrium Opportunities Fund (B) LP,
as Lender

By: Athyrium Opportunities Associates LP, its general partner

By: Athyrium Opportunities Associates GP LLC, its general partner

By: /s/ Jeffrey A. Ferrell
Name: Jeffrey A. Ferrell
Title: President

[*Signature Page to Amendment No. 4*]

Exhibit 10.8

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is effective as of the last date signed by the parties hereto (the "Effective Date") and is entered into by and between **RETROPHIN, INC.**, a Delaware corporation (hereinafter the "Company"), and **Alvin Shih, MD** (hereinafter "Executive").

R E C I T A L S

WHEREAS, Executive and the Company entered into an employment agreement dated May 23, 2014 (the "Prior Agreement");

WHEREAS, this Agreement amends and restates the Prior Agreement.

NOW, THEREFORE, the Company and Executive, in consideration of the mutual promises set forth herein, agree as follows:

ARTICLE 1

NATURE OF EMPLOYMENT

1.1 Effect of Agreement. This Agreement shall govern the terms of Executive's employment with the Company on and after the Effective Date until it is terminated by either the Company or Executive pursuant to the terms set forth in Article 6.

1.2 At-Will Employment. Executive shall continue to be employed on an at-will basis by the Company and therefore either Executive or the Company may terminate the employment relationship and this Agreement at any time, with or without Cause (as defined herein) and with or without advance notice, subject to the provisions of Article 6.

ARTICLE 2

EMPLOYMENT DUTIES

2.1 Title/Responsibilities. Executive agrees to continue to serve the Company in the position of Executive Vice President Research and Development. Executive shall have the powers and duties commensurate with such position.

2.2 Full Time Attention. Executive shall devote his best efforts and his full business time and attention to the performance of the services customarily incident to such office and to such other services as the President and Chief Executive Officer (hereinafter "CEO") or Board of Directors may reasonably request.

2.3 Other Activities. Except upon the prior written consent of the CEO, Executive shall not during the period of employment engage, directly or indirectly, in any other business activity (whether or not pursued for pecuniary advantage) that is or may be competitive with, or that might place her in a competing position to that of the Company or any other corporation or

entity that directly or indirectly controls, is controlled by, or is under common control with the Company (an "Affiliated Company"), provided that Executive may own less than two percent (2%) of the outstanding securities of any such publicly traded competing corporation.

ARTICLE 3

COMPENSATION

3.1 **Base Salary.** Executive shall receive a Base Salary at an annual rate of $450,000, payable semi-monthly in equal installments in accordance with the Company's normal payroll practices. The CEO shall provide Executive with annual performance reviews, and, thereafter, Executive shall be entitled to such increase in Base Salary as the CEO and the Compensation Committee of Board of Directors (hereinafter the "Compensation Committee") may from time to time establish in their sole discretion.

3.2 **Signing Bonus.** Executive shall be entitled to a one-time cash signing bonus in the amount of fifty thousand dollars ($50,000) provided however if, prior to the 12-month anniversary of the date of his employment, Executive terminates his employment or the Company terminates his employment for Cause (as defined below), the Executive agrees to repay to the Company the signing bonus within thirty (30) days of such termination of employment.

3.3 **Incentive Bonus.** In addition to any other bonus Executive shall be awarded by the Compensation Committee, Executive shall be eligible to receive an annual incentive bonus as determined by the Company's Compensation Committee and CEO based upon the achievement by the Company of annual corporate goals established by the Board of Directors and the achievement of Executive in meeting annual personal goals established by the CEO and the Compensation Committee. Executive's annual incentive bonus at target will be 50% of Executive's Base Salary (the "Target Annual Bonus") provided Executive shall receive no less than a one hundred thousand dollars ($100,000) bonus for the first twelve month period in which Executive is employed by the Company. The Compensation Committee in consultation with the independent members of the Board of Directors and the CEO shall, in their sole discretion, determine whether Executive's annual personal goals have been attained. The Compensation Committee in consultation with the independent members of the Board of Directors shall, in its sole discretion, determine whether the annual corporate goals have been attained. Any annual incentive bonus shall be considered earned only if Executive is employed by the Company both on the date that the determination is made as to whether annual personal goals have been met, and on the date that the determination is made as to whether annual corporate goals have been met. These determinations generally will be made within the first quarter following the end of the Company's fiscal year. Except as provided in Article 6 herein, no pro-rata bonus will be considered earned if Executive leaves the Company for any reason prior to the foregoing determination dates. Any annual incentive bonus that is earned shall be paid no later than the fifteenth day of the third month following the end of the Company's fiscal year for which such bonus was earned.

3.4 **Equity.** Pursuant to the Company's 2014 Equity Incentive Plan (the "Plan"), the

Company granted the Executive a restricted stock unit award in respect of 230,000 shares of the Company's common stock (the "RSU Award"). The RSU Award will be subject to the terms and conditions of the Plan and the applicable restricted stock unit award grant agreement. Subject to Executive's continued employment through the applicable vesting dates, the RSU Award shall vest quarterly over three (3) years with vesting to commence June 1, 2014, subject to accelerated vesting in certain circumstances pursuant to Article 6 below. Subject to approval by the Company's Compensation Committee, in consultation with the independent members of the Board of Directors, Executive will be eligible to receive additional Stock Awards on terms to be determined by the Compensation Committee at the time of any such grant. The determination whether to grant any additional Stock Award to Executive is in the sole discretion of the Compensation Committee, in consultation with the independent members of the Board of Directors. For all purposes of this Agreement, "Stock Awards" shall mean any rights granted by the Company to Executive with respect to the common stock of the Company, including, without limitation, stock options, stock appreciation rights, restricted stock, stock bonuses and restricted stock units.

3.5 **Withholdings.** All compensation and benefits payable to Executive under this Agreement shall be subject to all federal, state, local taxes and other withholdings and similar taxes and payments required by applicable law.

ARTICLE 4

EXPENSE ALLOWANCES AND FRINGE BENEFITS

4.1 **Vacation.** Executive shall be entitled to participate in the Company's vacation plan pursuant to the terms of that plan.

4.2 **Benefits.** During Executive's employment hereunder, the Company shall also provide Executive with the health insurance benefits it generally provides to its other senior management employees. As Executive becomes eligible in accordance with criteria to be adopted by the Company, the Company shall provide Executive with the right to participate in and to receive benefit from life, accident, disability, medical, and savings plans and similar benefits made available generally to employees of the Company as such plans and benefits may be adopted by the Company. With respect to long-term disability insurance coverage, the Executive will pay all premiums for such coverage with after-tax dollars, and the Company will reimburse the Executive for the premium costs so paid by the Executive, which reimbursement benefit shall be taxable income, subject to withholding. The amount and extent of benefits to which Executive is entitled shall be governed by the specific benefit plan as it may be amended from time to time.

4.3 **Business Expense Reimbursement.** During the term of this Agreement, Executive shall be entitled to receive proper reimbursement for all reasonable out-of-pocket expenses incurred by her (in accordance with the policies and procedures established by the Company for its senior executive officers) in performing services hereunder. Executive agrees to furnish to the Company adequate records and other documentary evidence of such expense for which Executive seeks reimbursement. Such expenses shall be reimbursed and accounted for

under the policies and procedures established by the Company, and such reimbursement shall be made promptly, but in no event later than December 31 of the calendar year following the year in which such expenses were incurred by Executive.

ARTICLE 5

CONFIDENTIALITY

5.1 **Proprietary Information.** Executive represents and warrants that he has previously executed and delivered to the Company the Company's standard Proprietary Information and Inventions Agreement.

5.2 **Return of Property.** All documents, records, apparatus, equipment and other physical property which is furnished to or obtained by Executive in the course of his employment with the Company shall be and remain the sole property of the Company. Executive agrees that, upon the termination of his employment, he shall return all such property (whether or not it pertains to Proprietary Information as defined in the Proprietary Information and Inventions Agreement), and agrees not to make or retain copies, reproductions or summaries of any such property.

5.3 **No Use of Prior Confidential Information.** Executive will not intentionally disclose to the Company or use on its behalf any confidential information belonging to any of his former employers or any other third party.

ARTICLE 6

TERMINATION

6.1 **General.** As set forth in Section 1.2 herein, Executive shall be employed on an at-will basis by the Company. Notwithstanding the foregoing, Executive's employment and this Agreement may be terminated in one of six ways as set forth in this Article 6: (a) Executive's Death (Section 6.2); (b) Executive's Disability (Section 6.3); (c) Termination by the Company for Cause (Section 6.4); (d) Termination by the Company without Cause (Section 6.5); (e) Termination by Executive due to a Constructive Termination (Section 6.6); or (f) Voluntary Resignation (Section 6.7).

6.2 **By Death**. Executive's employment and this Agreement shall terminate automatically upon the death of Executive. In such event:

(a) **Stock Awards**. The vesting of the RSU Award (to the extent it is then unvested) shall be accelerated so that the amount of shares vested under such RSU Award shall equal $1/12^{th}$ of the total number of shares subject to the RSU Award multiplied by the number of full months that elapsed between the grant date and Executive's termination of employment.

(b) **Bonus**. The Company shall pay to Executive's beneficiaries or hisestate, as the case may be, a lump sum amount equal to Executive's Target Annual Bonus (as defined in Section 3.2) for the Company's fiscal year in which Executive's death occurs multiplied by a

fraction, the numerator of which is the number of full months of employment by Executive in such fiscal year and the denominator of which is 12. Such amount shall be paid as soon as administratively practicable, but in no event later than March 15 following the year in which Executive's death occurred.

(c) Accrued Compensation. The Company shall pay to Executive's beneficiaries or his estate, as the case may be, any accrued Base Salary, any vested deferred compensation (other than pension plan or profit-sharing plan benefits that will be paid in accordance with the applicable plan), any benefits under any plans of the Company (other than pension and profit-sharing plans) in which Executive is a participant to the full extent of Executive's rights under such plans, any accrued vacation pay and any appropriate business expenses incurred by Executive in connection with his duties hereunder, all to the date of termination (collectively "Accrued Compensation").

(d) No Severance Compensation. The compensation and benefits set forth in Sections 6.2(a) through (c) herein shall be the only compensation and benefits provided by the Company in the event of Executive's death and no other severance compensation or benefits shall be provided.

6.3 By Disability. If Executive is prevented from performing his duties hereunder by reason of any physical or mental incapacity that results in Executive's satisfaction of all requirements necessary to receive benefits under the Company's long-term disability plan due to a total disability, then, to the extent permitted by law, the Company may terminate the employment of Executive and this Agreement at or after such time. In such event, and if Executive signs the General Release set forth as **Exhibit A** or such other form of release as the Company may require (the "Release") on or within the time period set forth therein, but in no event later than forty-five (45) days after the termination date and allows such Release to become effective (the "Release Effective Date"), then:

(a) Accrued Compensation. The Company shall pay to Executive all Accrued Compensation (as defined in Section 6.2(c) herein).

(b) Base Salary Continuation. The Company shall continue to pay Executive's Base Salary, less required withholdings, for a period of 12 months (the "Disability Base Salary Payments") following Executive's separation from service; provided that the Disability Base Salary Payments shall be reduced by any insurance or other payments to Executive under policies and plans sponsored by the Company, even if premiums are paid by Executive. Subject to the provisions of Section 6.11, the Disability Base Salary Payments shall be paid in accordance with the Company's standard payroll practices; provided, however, that any amounts that would otherwise be scheduled to be paid prior to the Release Effective Date shall instead accrue and be paid during the first payroll period following the Release Effective Date, and all other payments shall be made as originally scheduled.

(c) Bonus. The Company shall pay to Executive a lump sum amount equal to Executive's Target Annual Bonus (as defined in Section 3.2) for the Company's then-current fiscal year multiplied by a fraction, the numerator of which is the number of full months of employment by Executive in the current fiscal year and the denominator of which is 12. Such

payment shall be made within ten (10) days following the Release Effective Date.

(d) **Stock Awards**. The vesting of all outstanding Stock Awards held by Executive shall be accelerated such that the amount of shares vested under such Stock Awards shall equal that number of shares that would have been vested if Executive had continued to render services to the Company for 12 continuous months after the date of Executive's termination of employment.

(e) **Health Insurance Benefits**. To the extent provided by the federal COBRA law or, if applicable, state insurance laws, and by the Company's current group health insurance policies, Executive will be eligible to continue Executive's group health insurance benefits at Executive's own expense. If Executive timely elects continued coverage under COBRA, the Company shall pay Executive's COBRA premiums, and any applicable Company COBRA premiums, necessary to continue Executive's then-current coverage for a period of 12 months after the date of Executive's termination of employment; *provided*, *however,* that any such payments will cease if Executive voluntarily enrolls in a health insurance plan offered by another employer or entity during the period in which the Company is paying such premiums. Executive agrees to immediately notify the Company in writing of any such enrollment.

Notwithstanding the foregoing, if the Company determines, in its sole discretion, that it cannot provide the foregoing benefit without potentially incurring financial costs or penalties under applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company shall in lieu thereof provide to Executive a taxable monthly amount to continue his group health insurance coverage in effect on the date of separation from service (which amount shall be based on the premium for the first month of COBRA coverage), which payments shall be made regardless of whether Executive elects COBRA continuation coverage and shall commence in the month following the month in which Executive incurs a separation from service and shall end on the earlier of (x) the date on which Executive voluntarily enrolls in a health insurance plan offered by another employer or entity during the period in which the Company is paying such amounts and (y) 12 months after the date of Executive's separation from service.

(f) **Disability Plans.** Nothing in this Section 6.3 shall affect Executive's rights under any disability plan in which Executive is a participant.

6.4 **Termination by the Company for Cause.**

(a) **No Liability.** The Company may terminate Executive's employment and this Agreement for Cause (as defined below) without liability at any time. In such event, the Company shall pay Executive all Accrued Compensation (as defined in Section 6.2(c) herein), but no other compensation or reimbursement of any kind, including without limitation, any severance compensation or benefits shall be paid, and thereafter the Company's obligations hereunder shall terminate.

(b) **Definition of "Cause."** For purposes of this Agreement, "Cause" shall mean one or more of the following:

(i) Executive's intentional commission of an act, or intentional failure to act, that materially injures the business of the Company; *provided, however,* that in no event shall any business judgment made in good faith by Executive and within Executive's defined scope of authority constitute a basis for termination for Cause under this Agreement;

(ii) Executive's intentional refusal or intentional failure to act in accordance with any lawful and proper direction or order of the Board of Directors or the Chief Executive Officer;

(iii) Executive's material breach of Executive's fiduciary, statutory, contractual, or common law duties to the Company (including any material breach of this Agreement, the Proprietary Information and Inventions Agreement, or the Company's written policies);

(iv) Executive's indictment for or conviction of any felony or any crime involving dishonesty; or

(v) Executive's participation in any fraud or other act of willful misconduct against the Company;

provided, however, that in the event that any of the foregoing events is reasonably capable of being cured, the Company shall provide written notice to Executive describing the nature of such event and Executive shall thereafter have ten (10) business days to cure such event.

6.5 Termination by the Company without Cause.

(a) The Company's Right. The Company may terminate Executive's employment and this Agreement without Cause (as defined in Section 6.4(b) herein) at any time by giving thirty (30) days advance written notice to Executive.

(b) Severance Benefits. If the Company terminates Executive's employment without Cause, and if Executive signs the Release on or within the time period set forth therein (but in no event later than forty-five (45) days after the termination date) and allows such Release to become effective, then:

(i) Accrued Compensation. The Company shall pay to Executive all Accrued Compensation (as defined in Section 6.2(c) herein).

(ii) Cash Compensation Amount Payments. The Company shall pay Executive an amount equal to (A) Executive's annual Base Salary plus Executive's Target Annual Bonus (as defined in Section 3.2 herein) multiplied by (B) 1.0 (the "Cash Compensation Amount"). Subject to the provisions of Section 6.11, the Cash Compensation Amount will be paid in equal installments on the Company's standard payroll dates over a period of 12 months following Executive's separation from service; provided, however, that any amounts that would otherwise be scheduled to be paid prior to the Release Effective Date shall instead accrue and be paid during the first payroll period following the Release Effective Date, and all other payments shall be made as originally scheduled.

(iii) **Stock Awards.** The vesting of all outstanding Stock Awards held by Executive shall be accelerated such that the amount of shares vested under such Stock Awards shall equal that number of shares that would have been vested if Executive had continued to render services to the Company for 12 continuous months after the date of Executive's termination of employment.

(iv) **Health Insurance Benefits**. To the extent provided by the federal COBRA law or, if applicable, state insurance laws, and by the Company's current group health insurance policies, Executive will be eligible to continue Executive's group health insurance benefits at Executive's own expense. If Executive timely elects continued coverage under COBRA, the Company shall pay Executive's COBRA premiums, and any applicable Company COBRA premiums, necessary to continue Executive's then-current coverage for a period of 12 months after the date of Executive's termination of employment; *provided*, *however,* that any such payments will cease if Executive voluntarily enrolls in a health insurance plan offered by another employer or entity during the period in which the Company is paying such premiums. Executive agrees to immediately notify the Company in writing of any such enrollment.

Notwithstanding the foregoing, if the Company determines, in its sole discretion, that it cannot provide the foregoing benefit without potentially incurring financial costs or penalties under applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company shall in lieu thereof provide to Executive a taxable monthly amount to continue his group health insurance coverage in effect on the date of separation from service (which amount shall be based on the premium for the first month of COBRA coverage), which payments shall be made regardless of whether Executive elects COBRA continuation coverage and shall commence in the month following the month in which Executive incurs a separation from service and shall end on the earlier of (x) the date on which Executive voluntarily enrolls in a health insurance plan offered by another employer or entity during the period in which the Company is paying such amounts and (y) 12 months after the date of Executive's separation from service.

6.6 **Termination by Executive due to a Constructive Termination.**

(a) **Executive's Right**. Executive may resign his employment and terminate this Agreement at any time as a result of a Constructive Termination (as defined in Section 6.6(c) herein).

(b) **Severance Benefits**. If Executive resigns his employment and terminates this Agreement as a result of a Constructive Termination, and if Executive signs the Release on or within the time period set forth therein (but in no event later than forty-five (45) days after the termination date) and allows such Release to become effective, then Executive shall receive all of the severance benefits set forth in Section 6.5(b) herein.

(c) **Definition of "Constructive Termination."** For purposes of this Agreement, "Constructive Termination" shall mean a resignation of employment and termination of this Agreement by Executive for one or more of the following reasons:

(i) Assignment to, or withdrawal from, Executive of any duties or responsibilities that results in a material diminution in such Executive's authority, duties or responsibilities as in effect immediately prior to such change;

(ii) A material diminution in the authority, duties or responsibilities of the supervisor to whom Executive is required to report;

(iii) A material reduction by the Company of Executive's annual Base Salary;

(iv) A relocation of Executive or the Company's principal executive offices if Executive's principal office is at such offices, to a location more than forty (40) miles from the location at which Executive is then performing his duties, except for an opportunity to relocate which is accepted by Executive in writing; or

(v) A material breach by the Company of any provision of this Agreement or any other enforceable written agreement between Executive and the Company;

provided however, that Executive must first provide the Company with written notice specifying the condition giving rise to a Constructive Termination within ninety (90) days following the initial existence of such condition; and Executive's notice must specify that Executive intends to terminate her employment no earlier than thirty (30) days after providing such notice, and the Company must be given an opportunity to cure such condition within thirty (30) days following its receipt of such notice and avoid paying benefits.

6.7 **Voluntary Resignation.** Executive may resign his employment and terminate this Agreement at any time for any reason other than due to a Constructive Termination (as defined in Section 6.6(c) herein). In such event, (a) the Company shall pay Executive all Accrued Compensation (as defined in Section 6.2(c) herein), and (b) the vesting of the RSU Award (to the extent it is then unvested) shall be accelerated so that the amount of shares vested under such RSU Award shall equal $1/12^{th}$ of the total number of shares subject to the RSU Award multiplied by the number of full months that elapsed between the grant date and Executive's termination of employment, but no other compensation or reimbursement of any kind, including without limitation, any severance compensation or benefits shall be paid, and thereafter the Company's obligations hereunder shall terminate.

6.8 **Change in Control.**

(a) **Severance Benefits.** If (i) within thirty (30) days prior to, or on or within six (6) months after, the consummation of a Change in Control (as defined in Section 6.8(b) herein), (1) the Company terminates Executive's employment and this Agreement without Cause pursuant to Section 6.5 herein or (2) Executive resigns his or her employment and terminates this Agreement as a result of a Constructive Termination pursuant to Section 6.6 herein, and (ii) in either event (1) or (2), Executive signs the Release on or within the time period set forth therein, but in no event later than forty-five (45) days after the termination date and allows such Release to become effective, then Executive shall receive the following severance benefits in lieu of any severance benefits set forth in Section 6.5(b) or Section 6.6(b) herein:

(i) **Accrued Compensation**. The Company shall pay to Executive all Accrued Compensation (as defined in Section 6.2(c) herein).

(ii) **CIC Cash Compensation Amount Payment**. The Company shall pay Executive an amount equal to (A) Executive's annual Base Salary plus Executive's Target Annual Bonus (as defined in Section 3.2 herein) multiplied by (B) 1.5 (collectively, the "CIC Cash Compensation Amount"). The CIC Cash Compensation Amount will be paid in one lump sum within ten (10) days following the Release Effective Date.

(iii) **Stock Awards**. The vesting of all outstanding Stock Awards held by Executive shall be accelerated in full, effective as of the Release Effective Date.

(iv) **Health Insurance Benefits**. To the extent provided by the federal COBRA law or, if applicable, state insurance laws, and by the Company's current group health insurance policies, Executive will be eligible to continue Executive's group health insurance benefits at Executive's own expense. If Executive timely elects continued coverage under COBRA, the Company shall pay Executive's COBRA premiums, and any applicable Company COBRA premiums, necessary to continue Executive's then-current coverage for a period of 18 months after the date of Executive's termination of employment; *provided, however,* that any such payments will cease if Executive voluntarily enrolls in a health insurance plan offered by another employer or entity during the period in which the Company is paying such premiums. Executive agrees to immediately notify the Company in writing of any such enrollment.

Notwithstanding the foregoing, if the Company determines, in its sole discretion, that it cannot provide the foregoing benefit without potentially incurring financial costs or penalties under applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company shall in lieu thereof provide to Executive a taxable monthly amount to continue his or her group health insurance coverage in effect on the date of separation from service (which amount shall be based on the premium for the first month of COBRA coverage), which payments shall be made regardless of whether Executive elects COBRA continuation coverage and shall commence in the month following the month in which Executive incurs a separation from service and shall end on the earlier of (x) the date on which Executive voluntarily enrolls in a health insurance plan offered by another employer or entity during the period in which the Company is paying such amounts and (y) 18 months after the date of Executive's separation from service.

(b) For purposes of this Agreement, a "Change in Control" shall have occurred if at any time following the Effective Date, any of the following events shall occur:

(i) The Company is merged, or consolidated, or reorganized into or with another corporation or other legal person, and as a result of such merger, consolidation or reorganization less than 50% of the combined voting power of the then-outstanding securities of such corporation or person immediately after such transaction are held in the aggregate by the holders of voting securities of the Company immediately prior to such transaction;

(ii) The Company sells all or substantially all of its assets or any other corporation or other legal person and thereafter, less than 50% of the combined voting power of

the then-outstanding voting securities of the acquiring or consolidated entity are held in the aggregate by the holders of voting securities of the Company immediately prior to such sale;

(iii) There is a report filed after the date of this Agreement on Schedule 13D or Schedule 14D-1 (or any successor schedule, form or report), each as promulgated pursuant to the Securities Exchange Act of 1934 (the "Exchange Act") disclosing that any person (as the term "person" is used in Section 13(d)(3) or Section 14(d)(2) of the Exchange Act) has become the beneficial owner (as the term beneficial owner is defined under Rule 13d-3 or any successor rule or regulation promulgated under the Exchange Act) representing 50% or more of the combined voting power of the then-outstanding voting securities of the Company; or

(iv) During any period of two (2) consecutive years following the Effective Date, individuals who at the beginning of any such period constitute the directors of the Company cease for any reason to constitute at least a majority thereof unless the election to the nomination for election by the Company's shareholders of each director of the Company first elected during such period was approved by a vote of at least two-thirds of the directors of the Company then still in office who were directors of the Company at the beginning of such period.

6.9 **Mitigation.** Except as otherwise specifically provided herein, Executive shall not be required to mitigate the amount of any payment provided under this Agreement by seeking other employment or self-employment, nor shall the amount of any payment provided for under this Agreement be reduced by any compensation earned by Executive as a result of employment by another employer or through self-employment or by retirement benefits after the date of Executive's termination of employment from the Company, except as provided herein.

6.10 **Coordination.** If upon termination of employment, Executive becomes entitled to rights under other plans, contracts or arrangements entered into by the Company, this Agreement shall be coordinated with such other arrangements so that Executive's rights under this Agreement are not reduced, and that any payments under this Agreement offset the same types of payments otherwise provided under such other arrangements, but do not otherwise reduce any payments or benefits under such other arrangements to which Executive becomes entitled.

6.11 **Application of Section 409A.** Notwithstanding anything to the contrary herein, the following provisions apply to the extent severance benefits provided herein are subject to Section 409A of the Code and the regulations and other guidance thereunder and any state law of similar effect (collectively "Section 409A"). Severance benefits shall not commence until Executive has a "separation from service" for purposes of Section 409A. If Executive is a "specified employee" within the meaning of 409A(a)(2)(B)(i) of the Code, any installment payments of Disability Base Salary Payments pursuant to Section 6.3(b) or Cash Compensation Amounts pursuant to Section 6.5(b) or 6.6(b) that are triggered by a separation from service shall be accelerated to the minimum extent necessary so that (a) the lesser of (y) the total cash severance payment amount, or (z) six (6) months of such installment payments are paid no later than March 15 of the calendar year following such termination, and (b) all amounts paid pursuant to the foregoing clause (a) will constitute separate payments for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations and thus will be payable pursuant to the "short-term

deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations. It is intended that if Executive is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code at the time of such separation from service the foregoing provision shall result in compliance with the requirements of Section 409A(a)(2)(B)(i) of the Code because payments to Executive will either be payable pursuant to the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations or will not be paid until at least 6 months after separation from service. The severance benefits are intended to qualify for an exemption from application of Section 409A or comply with its requirements to the extent necessary to avoid adverse personal tax consequences under Section 409A, and any ambiguities herein shall be interpreted accordingly.

6.12 Parachute Payments.

(a) If any payment or benefit (including payments or benefits pursuant to this Agreement) that Executive would receive in connection with a Change in Control or otherwise ("Payment") would (1) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (2) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then such Payment shall be equal to the Reduced Amount. The "Reduced Amount" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment being subject to the Excise Tax or (y) the largest portion, up to and including the total, of the Payment, whichever amount, after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in Executive's receipt, on an after-tax basis, of the greater economic benefit notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in payments or benefits constituting "parachute payments" is necessary so that the Payment equals the Reduced Amount, Executive shall have no rights to any additional payments and/or benefits, and reduction shall occur in the manner that results in the greatest economic benefit for Executive. If more than one method of reduction will result in the same economic benefit, the items so reduced will be reduced pro rata.

(b) In the event it is subsequently determined by the Internal Revenue Service that some portion of the Reduced Amount as determined pursuant to clause (x) in the preceding paragraph is subject to the Excise Tax, Executive agrees to promptly return to the Company a sufficient amount of the Payment so that no portion of the Reduced Amount is subject to the Excise Tax. For the avoidance of doubt, if the Reduced Amount is determined pursuant to clause (y) in the preceding paragraph, Executive will have no obligation to return any portion of the Payment pursuant to the preceding sentence.

(c) The independent registered public accounting firm engaged by the Company for general audit purposes as of the day prior to the effective date of the event described in Section 280G(b)(2)(A)(i) of the Code will perform the foregoing calculations. If the independent registered public accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity or group effecting such Change in Control or similar transaction, the Company will appoint a nationally recognized independent registered public accounting firm to make the determinations required hereunder. The Company will bear all expenses with respect to the determinations by such independent registered public accounting

firm required to be made hereunder. Any good faith determinations of the independent registered public accounting firm made hereunder will be final, binding and conclusive upon the Company and you.

ARTICLE 7

GENERAL PROVISIONS

7.1 Governing Law. The validity, interpretation, construction and performance of this Agreement and the rights of the parties thereunder shall be interpreted and enforced under California law without reference to principles of conflicts of laws.

7.2 Assignment; Successors; Binding Agreement.

(a) No Assignment. Executive may not assign, pledge or encumber his interest in this Agreement or any part thereof.

(b) Assumption by Successor. The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by operation of law or by agreement in form and substance reasonably satisfactory to Executive, to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

(c) Binding Agreement. This Agreement shall inure to the benefit of and be enforceable by Executive's personal or legal representatives, executors, administrators, successors, heirs, distributee, devisees and legatees. If Executive should die while any amount is at such time payable to Executive hereunder, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to Executive's devisee, legates or other designee or, if there be no such designee, to her estate.

7.3 Notice. For the purposes of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by certified or registered mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth below or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt.

To the Company:

Retrophin, Inc.
12255 El Camino Real Suite 250
San Diego, CA 92130
To Executive:

Alvin Shih, MD

7.4 Modification; Waiver; Entire Agreement. This Agreement constitutes the complete, final and exclusive embodiment of the entire agreement between Executive and the Company with regard to this subject matter. It is entered into without reliance on any promise or representation, written or oral, other than those expressly contained herein, and it supersedes any other such promises, warranties or representations. No provisions of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing signed by Executive and such officer as may be specifically designated by the Board of Directors of the Company. No waiver by either party hereto at any time of any breach by the other party of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or any prior or subsequent time.

7.5 Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

7.6 Controlling Document. Except to the extent described in Section 6.10, in case of conflict between any of the terms and conditions of this Agreement and any document herein referred to, the terms and conditions of this Agreement shall control.

7.7 Executive Acknowledgment. Executive acknowledges (a) that he has consulted with or has had the opportunity to consult with independent counsel of his own choice concerning this Agreement, and has been advised to do so by the Company, and (b) that he has read and understands the Agreement, is fully aware of its legal effect, and has entered into it freely based on his own judgment.

7.8 Dispute Resolution. To ensure the rapid and economical resolution of disputes that may arise in connection with Executive's employment, Executive and the Company agree that any and all disputes, claims, or causes of action, in law or equity, arising from or relating to the enforcement, breach, performance, execution, or interpretation of this Agreement, Executive's employment, or the termination of that employment, shall be resolved, to the fullest extent permitted by law pursuant to the Federal Arbitration Act, 9 U.S.C. §1-16, by final, binding and confidential arbitration in San Diego, California conducted before a single arbitrator by Judicial Arbitration and Mediation Services, Inc. ("JAMS") or its successor, under the then applicable JAMS rules; *provided*, *however*, that in no event shall the Arbitrator be empowered to hear or determine any class or collective claim of any type. The JAMS rules can be found online at www.jamsadr.com. By agreeing to this arbitration procedure, both Executive and the Company waive the right to resolve any such dispute through a trial by jury or judge or by administrative proceeding. The arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be permitted by law; and (b) issue a written arbitration decision including the arbitrator's essential findings and conclusions and a statement of the award. The Company shall pay all of JAMS' arbitration fees. Nothing in this letter agreement shall prevent either Executive or the Company

from obtaining injunctive relief in court if necessary to prevent irreparable harm pending the conclusion of any arbitration. The parties agree that the arbitrator shall award reasonable attorneys' fees, costs, and all other related expenses to the prevailing party in any action brought hereunder, and the arbitrator shall have discretion to determine the prevailing party in an arbitration where multiple claims may be at issue.

7.9 Remedies.

(a) Injunctive Relief. The parties agree that the services to be rendered by Executive hereunder are of a unique nature and that in the event of any breach or threatened breach of any of the covenants contained herein, the damage or imminent damage to the value and the goodwill of the Company's business will be irreparable and extremely difficult to estimate, making any remedy at law or in damages inadequate. Accordingly, the parties agree that the Company shall be entitled to injunctive relief against Executive in the event of any breach or threatened breach of any such provisions by Executive, in addition to any other relief (including damage) available to the Company under this Agreement or under law.

(b) Exclusive. Both parties agree that the remedy specified in Section 7.9(a) above is not exclusive of any other remedy for the breach by Executive of the terms hereof.

7.10 Counterparts. This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same Agreement.

Executed by the parties as follows:

EXECUTIVE	**RETROPHIN, INC.**
By: /s/ Alvin Shin	By: /s/ Laura Clague
Date: 05/07/2015	Date: 05/08/2015

EXHIBIT A
GENERAL RELEASE
[To be signed on or after employment termination date]

Pursuant to the terms of the Employment Agreement between Retrophin, Inc. (the "Company") and Alvin Shih, MD ("Executive") dated May __, 2015 (the "Agreement"), the parties hereby enter into the following General Release (the "Release"):

1. **Accrued Salary and Vacation**. Executive understands that, on the last date of Executive's employment with the Company, the Company will pay Executive any accrued salary and accrued and unused vacation to which Executive is entitled by law, regardless of whether Executive signs this Release.

2. **General Release**. Executive hereby generally and completely releases the Company and its directors, officers, employees, shareholders, partners, agents, attorneys, predecessors, successors, parent and subsidiary entities, insurers, affiliates, and assigns (collectively the "Released Parties") of and from any and all claims, liabilities and obligations, both known and unknown, arising out of or in any way related to events, acts, conduct, or omissions occurring at any time prior to or at the time that Executive signs this Release.

3. **Scope of Release.** This general release includes, but is not limited to: (1) all claims arising out of or in any way related to Executive's employment with the Company or the termination of that employment; (2) all claims related to Executive's compensation or benefits from the Company, including salary, bonuses, commissions, vacation pay, expense reimbursements, severance pay, fringe benefits, stock, stock options, or any other ownership or equity interests in the Company; (3) all claims for breach of contract, wrongful termination, and breach of the implied covenant of good faith and fair dealing (including claims based on or arising under the Agreement); (4) all tort claims, including claims for fraud, defamation, emotional distress, and discharge in violation of public policy; and (5) all federal, state, and local statutory claims, including claims for discrimination, harassment, retaliation, attorneys' fees, or other claims arising under the federal Civil Rights Act of 1964 (as amended), the federal Americans with Disabilities Act of 1990, the federal Age Discrimination in Employment Act (as amended) ("ADEA"), the federal Family and Medical Leave Act, the California Labor Code (as amended), the California Family Rights Act, and the California Fair Employment and Housing Act (as amended).

4. **ADEA Waiver**. Executive acknowledges that Executive is knowingly and voluntarily waiving and releasing any rights Executive may have under the ADEA, and that the consideration given for the waiver and release in the preceding paragraph is in addition to anything of value to which Executive is already entitled. If Executive is age 40 or older upon execution of this Release, Executive further acknowledges that Executive has been advised by this writing that, (1) Executive's waiver and release do not apply to any rights or claims that may arise after the date Executive signs this Release; (2) Executive should consult with an attorney prior to signing this Release (although Executive may choose voluntarily not to do so); (3) Executive has twenty-one (21) days to consider this Release (although Executive may choose voluntarily to sign it earlier); (4) Executive has seven (7) days following the date Executive signs

this Release to revoke it by providing written notice of revocation to the Company's Chief Executive Officer; and (5) this Release will not be effective until the date upon which the revocation period has expired, which will be the eighth calendar day after the date Executive signs it provided that Executive does not revoke it. If Executive is under 40 years of age upon execution of this Release, the Release will be effective upon signing and not revocable.

5. **Waiver of Unknown Claims.** EXECUTIVE UNDERSTANDS THAT THIS AGREEMENT INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS. Executive acknowledges that Executive has read and understands Section 1542 of the California Civil Code which reads as follows: "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor." Executive hereby expressly waives and relinquishes all rights and benefits under that section and any law or legal principle of similar effect in any jurisdiction with respect to Executive's respective release of claims herein, including but not limited to Executive's release of unknown and unsuspected claims.

6. **Excluded Claims**. Executive understands that notwithstanding the foregoing, the following are not included in the Released Claims (the "Excluded Claims"): (i) any rights or claims for indemnification Executive may have pursuant to any written indemnification agreement to which he is a party, the charter, bylaws, or operating agreements of any of the Released Parties, or under applicable law; or (ii) any rights which are not waivable as a matter of law. In addition, Executive understands that nothing in this release prevents Executive from filing, cooperating with, or participating in any proceeding before the Equal Employment Opportunity Commission, the Department of Labor, or any similar government agency, except that Executive acknowledges and agrees that Executive shall not recover any monetary benefits in connection with any such claim, charge or proceeding with regard to any claim released herein. Executive hereby represents and warrants that, other than the Excluded Claims, Executive is not aware of any claims he has or might have against any of the Released Parties that are not included in the Released Claims.

7. **Executive Representations.** Executive hereby represents that Executive has been paid all compensation owed and for all hours worked; Executive has received all the leave and leave benefits and protections for which Executive is eligible, pursuant to the Family and Medical Leave Act, the California Family Rights Act, or otherwise; and Executive has not suffered any on-the-job injury for which Executive has not already filed a workers' compensation claim.

8. **Nondisparagement.** Executive agrees not to disparage the Company, its parent, or its or their officers, directors, employees, shareholders, affiliates and agents, in any manner likely to be harmful to its or their business, business reputation, or personal reputation (although Executive may respond accurately and fully to any question, inquiry or request for information as required by legal process).

9. **Cooperation**. Executive agrees not to voluntarily (except in response to legal compulsion) assist any third party in bringing or pursuing any proposed or pending litigation,

arbitration, administrative claim or other formal proceeding against the other party, or against the Company's parent or subsidiary entities, affiliates, officers, directors, employees or agents. Executive further agrees to reasonably cooperate with the other party, by voluntarily (without legal compulsion) providing accurate and complete information, in connection with such other party's actual or contemplated defense, prosecution, or investigation of any claims or demands by or against third parties, or other matters, arising from events, acts, or failures to act that occurred during the period of Executive's employment by the Company.

10. **No Admission of Liability.** The parties agree that this Release, and performance of the acts required by it, does not constitute an admission of liability, culpability, negligence or wrongdoing on the part of anyone, and will not be construed for any purpose as an admission of liability, culpability, negligence or wrongdoing by any party and/or by any party's current, former or future parents, subsidiaries, related entities, predecessors, successors, officers, directors, shareholders, agents, employees and assigns. The parties specifically acknowledge and agree that this Release is a compromise of disputed claims and that the Company denies any liability for any matter released herein.

RETROPHIN, INC.:	**EXECUTIVE:**
By: _____	By: _____
Date: _____	Date: _____

Exhibit 10.9

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this "**Agreement**") is made as of February 12, 2015 (the "**Closing Date**"), by and among **Retrophin, Inc.**, a Delaware corporation ("**Retrophin**") on behalf of itself and its Affiliates (as that term is defined below), including without limitation, Retrophin Therapeutics International, LLC, a Delaware limited liability company ("**Retrophin Therapeutics**"), and Manchester Pharmaceuticals LLC, a California limited liability company ("**Manchester**"), (collectively, the "**Vecamyl Sellers**"), on the one hand, and Waldun Pharmaceuticals, LLC, a Delaware limited liability company ("**Waldun**"), on the other hand. The Vecamyl Sellers and Waldun may sometimes be referred to herein collectively as the "**Parties**" and individually as a "**Party**."

RECITALS

WHEREAS, on March 26, 2014, Loring Creek Holdings LLC, a California limited liability company, Lloyd Glenn and Mathias Kurth (collectively, the "**Manchester Sellers**") sold to Retrophin their membership interests in Manchester, which was the owner of, among other things, all of its world-wide rights, titles and interests in and to two products known by their brand names in the United States as Chenodal (containing the active pharmaceutical ingredient chenodiol) ("**Chenodal**") and Vecamyl (containing the active pharmaceutical ingredient mecamylamine hydrochloride) ("**Vecamyl**"), such membership interest sale and an ancillary international product rights sale being pursuant to a Membership Interest Purchase Agreement and an International Rights Purchase Agreement both having an effective date as of March 26, 2014 (collectively, the "**Purchase Agreements**");

WHEREAS, Waldun is interested in acquiring from the Vecamyl Sellers the world-wide rights to Vecamyl (the "**Product**") held by the Vecamyl Sellers and the assets listed in Section 2.1(a) through (e) below) related to Vecamyl, which is currently manufactured for the Vecamyl Sellers by Nexgen Pharma, Inc. ("**Nexgen**") pursuant to that certain License and Manufacturing Agreement effective as of April 4, 2013, by and between Nexgen and Manchester (the "**Nexgen Agreement**"); and

WHEREAS, the Vecamyl Sellers desire to convey all of its world-wide rights pertaining to the Product and the listed assets, to Waldun, and Waldun desires to purchase such world-wide rights and the listed assets, from the Vecamyl Sellers, all subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of these premises, the respective covenants of Retrophin and Waldun set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties do hereby agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Definitions. In addition to the other capitalized terms defined herein, the following capitalized terms shall have the following respective meanings:

"**Affiliate**" means, with respect to any Party, any Person who, or which, directly or indirectly, controls, is controlled by, or is under common control with such Party at any time during the period for which the determination of affiliation is being made. For the purposes of this definition, "**control**" (with correlative meanings for the terms "**controlled by**" and "**under common control with**") means the possession by the applicable Person, directly or indirectly, of the power to direct or cause the direction of the management, policies and business affairs of a Person, whether through ownership of voting securities or general partnership or managing member interests, by contract or otherwise.

"**Applicable Laws**" means all applicable laws, rules, regulations and guidelines that may apply to the development, manufacture, use, sale, offer for sale or distribution of Product, or the performance of any Party's obligations under this Agreement.

"**Business Day**" means any day other than a Saturday, Sunday or a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to close.

"**Consent Agreement**" shall have the meaning ascribed to such term in Section 4.4(a).

"**Financial Consideration**" shall have the meaning ascribed to such term in Section 3.1.

"**Liens**" means any mortgages, security interests, liens, options, pledges, equities, claims, charges, restrictions, conditions, conditional sale contracts and any other adverse interests or other encumbrances of any kind whatsoever.

"**Person**" means any individual, partnership, association, corporation, limited liability company, trust or other legal person or entity.

"**Third Party**" means any Person other than a Party and such Party's Affiliates.

"**Trademark Properties**" means the Vecamyl trademark registered on June 25, 2013, in the United States Patent and Trademark Office, with registration number 4358457; application Serial No. 85278519 filed March 28, 2011, in the United States Patent and Trademark Office for the mark Vercal (lapsed on November 18, 2013); and pending application Serial No. 1666757 filed in the Canadian Intellectual Property Office on March 6, 2014, for the mark Vecamyl.

"**Waldun Representative**" means Brian Smith (or his successor), the Person appointed by each of the members of Waldun to act on their behalf for the purposes of this Agreement and any transactions related to the sale of the Product rights.

1.2 Interpretation. Unless the context of this Agreement otherwise requires (a) words of any gender include each other gender, (b) words using the singular or plural number also include the plural or singular number, respectively, (c) the terms "hereof," "herein," "hereby" and derivative or similar words refer to this entire Agreement, (d) the terms "Article," "Section" and "Exhibit" refer to the specified Article, Section and Exhibit of this Agreement and (e) the terms "include," "includes" or "including," shall be deemed to be followed by the words

"without limitation" unless otherwise indicated. Whenever this Agreement refers to a number of days, unless otherwise specified, such number shall refer to calendar days. The headings in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

ARTICLE 2
SALE AND PURCHASE OF PRODUCT RIGHTS AND ASSETS

2.1 Conveyance of Product Rights and Assets. Subject to the terms and conditions of this Agreement and the Consent Agreement, on the Closing Date, the Vecamyl Sellers shall irrevocably sell, assign, transfer, convey and deliver to Waldun, and Waldun shall purchase, acquire and accept, free and clear of any and all Liens, all of their world-wide rights, titles and interest in and to the Product (the "**Product Rights**") and the following assets related to the Product (collectively, the "**Assets**"):

(a) The Trademark Properties;

(b) Scientific assessment of alternate indications;

(c) Dear HCP letter to list of former prescribers;

(d) Support for Dr. Fox's case report publication Tourette's syndrome rage; and

(e) A folder containing the FOI materials obtained by Retrophin or its Affiliate together with related Vecamyl notes.

2.2 Transfer Taxes and Fees. Any and all sales, excise, use, value-added and similar taxes, fees or duties assessed or incurred by reason of the sale by the Vecamyl Sellers, and the purchase by Waldun, of the Product Rights and the Assets, pursuant hereto shall be paid by the Vecamyl Sellers (and not by Waldun or the Manchester Sellers), regardless of which Party against which such taxes, fees or duties are assessed.

ARTICLE 3
CONSIDERATION

3.1 Consideration. Subject to the terms and conditions of this Agreement and the Consent Agreement, **t**he financial consideration for the transfer and conveyance of the Product Rights and the Assets, by the Vecamyl Sellers to Waldun in accordance with Article 2 shall be Seven Hundred Thousand Dollars ($700,000.00) payable by wire transfer of immediately available funds by Waldun to the account or accounts designated in writing by Retrophin within two (2) Business Days after the Closing Date (the "**Financial Consideration**").

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF RETROPHIN

Retrophin hereby represents and warrants to Waldun as follows:

4.1 Organization. Retrophin is a business entity duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is formed or incorporated. Retrophin has the requisite power and authority to own, lease and operate the properties now owned, leased and operated by it and to carry on its business as currently conducted. Retrophin is duly qualified to do business as a foreign entity in each jurisdiction in which the nature of its business or the character of its properties makes such qualification necessary, except where the failure to do so would not have a material adverse effect on Retrophin or any of the Product Rights and the Assets.

4.2 Authority and Enforceability. Retrophin has the requisite power and authority to enter into this Agreement, the Bill of Sale and the Trademark Assignments (as such terms are defined in Section 6.2) (collectively the "**Ancillary Agreements**") on behalf of itself and its Affiliates to which each is a party, and to perform its and their obligations hereunder and thereunder. Retrophin has taken all necessary action on its part and the part of its Affiliates to authorize the execution of this Agreement and each Ancillary Agreement to which each is a party and the performance of its or their obligations hereunder and thereunder. This Agreement and each Ancillary Agreement to which each is a party has been duly and validly executed by Retrophin and its Affiliates and is the legal, valid and binding obligation of Retrophin and its Affiliates, enforceable against Retrophin and its Affiliates in accordance with its terms.

4.3 No Violation, Etc. The execution of this Agreement and each Ancillary Agreement to which it is a party, and the performance of the obligations hereunder and thereunder by Retrophin and its Affiliates does not and will not (a) violate or conflict with any provision of the charter documents of Retrophin or any Affiliate, (b) violate, or conflict with, or result in a breach of any provision of, or constitute a default or give rise to any right of termination, cancellation or acceleration (with the passage of time, notice or both) under any agreement, lease, instrument, obligation, understanding or arrangement, oral or written, to which Retrophin or any of its Affiliates is a party or by which any of the Vecamyl Sellers's properties or assets is subject, including the Product Rights and the Assets, (c) violate any Applicable Law to which the Vecamyl Sellers or any of their properties or assets are subject or (d) result in any Lien on the Product Rights or the Assets. Without limiting the foregoing, the Vecamyl Sellers have not granted any right to any Third Party that would conflict with the conveyance of the Product Rights and the Assets to Waldun.

4.4 No Consents and Approvals. Except for (a) the Consent Agreement being executed by the Vecamyl Sellers and the Manchester Sellers on even date herewith (the "**Consent Agreement**") and (b) the consents of Nexgen and Athyrium Capital Management, no permit, consent, approval or authorization of, or notice, declaration, filing or registration with, any governmental authority or Third Party is or will be necessary in connection with the execution by the Vecamyl Sellers of this Agreement and each Ancillary Agreement to which each is a party or the performance by the Vecamyl Sellers of their obligations hereunder and thereunder.

4.5 Litigation. There is no litigation, proceeding, investigation, arbitration or claim pending against Retrophin or its Affiliates or, to Retrophin's knowledge, threatened with respect to the Product Rights or the Assets or the transactions contemplated herein.

4.6 Assets. The Vecamyl Sellers have, and on the Closing Date will convey and transfer to Waldun hereby, good, complete and legal title to each and all of the Product Rights and the Assets, free and clear of any and all Liens. The Product Rights and the Assets constitute all of the assets (tangible and intangible) in and related to the Product to which Retrophin or its Affiliates have any rights as of the Closing Date.

4.7 Solvency. Upon and immediately following the Closing Date, after giving effect to all of the transactions contemplated by and in this Agreement (including the payment of the Financial Consideration by Waldun), Retrophin will not be insolvent and Retrophin will have sufficient capital to continue in business and pay its debts as they become due, including, without limitation, its and its Affiiliate's obligations under the Purchase Agreements.

4.8 Exclusive Representations and Warranties. Other than the express representations and warranties set forth in this Article 4 or in any Ancillary Agreement, the Vecamyl Sellers are not making any representations or warranties, express or implied.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF WALDUN

Waldun hereby represents and warrants to the Vecamyl Sellers as follows:

5.1 Organization. Waldun is a business entity duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is formed. Waldun has the requisite power and authority to own, lease and operate the properties now owned, leased and operated by it and to carry on its business as currently conducted. Waldun is duly qualified to do business as a foreign entity in each jurisdiction in which the nature of its business or the character of its properties makes such qualification necessary, except where the failure to do so would not have a material adverse effect on Waldun.

5.2 Authority and Enforceability. Waldun has all necessary legal capacity to enter into this Agreement and each Ancillary Agreement to which it is a party and to perform its obligations hereunder and thereunder. Waldun has taken all necessary action on its part to authorize the execution of this Agreement and each Ancillary Agreement to which it is a party and the performance of its obligations hereunder and thereunder. This Agreement and each Ancillary Agreement to which it is a party has been duly and validly executed by Waldun and is the legal, valid and binding obligation of Waldun, enforceable against Waldun in accordance with its terms.

5.3 No Violation, Etc. The execution of this Agreement and each Ancillary Agreement to which it is a party and the performance of the obligations hereunder and thereunder by Waldun does not and will not (a) violate or conflict with any provision of the charter documents of Waldun, (b) violate, or conflict with, or result in a breach of any provision of, or constitute a default or give rise to any right of termination, cancellation or acceleration (with the passage of time, notice or both) under any agreement, lease, instrument, obligation,

understanding or arrangement, oral or written, to which Waldun or any of its Affiliates is a party or by which any of Waldun's properties or assets is subject or (c) violate any Applicable Law to which Waldun or any of its properties or assets are subject.

5.4 No Consents and Approvals. No permit, consent, approval or authorization of, or notice, declaration, filing or registration with, any governmental authority or Third Party is or will be necessary in connection with the execution by Waldun of this Agreement and each Ancillary Agreement to which it is a party or the performance by Waldun of its obligations hereunder and thereunder.

5.5 Litigation. There is no litigation, proceeding, investigation, arbitration or claim pending against Waldun or, to Waldun's knowledge, threatened with respect to the transactions contemplated herein.

5.6 Exclusive Representations and Warranties. Other than the express representations and warranties set forth in this Article 5 or in any Ancillary Agreement, Waldun is not making any representations or warranties, express or implied.

ARTICLE 6
CLOSING

6.1 Closing. The consummation of the transactions contemplated herein (the "**Closing**") will take place on the date hereof at the offices of Reitler Kailas & Rosenblatt LLC, 885 Third Avenue, New York, New York 10022, or at such other time and place as agreed to by Retrophin and Waldun in writing. The date on which the Closing actually occurs is referred to herein as the Closing Date.

6.2 Closing Deliverables.

(a) The Vecamyl Sellers' Deliverables. At the Closing, the Vecamyl Sellers shall make available for delivery to Waldun the following:

(i) A Certificate, in a form reasonably satisfactory to Waldun, executed by an executive officer of Retrophin and dated as of the Closing Date, certifying that (A) each of the representations and warranties of Retrophin set forth in this Agreement is true and correct as of the Closing Date as though made on and as of the Closing Date, and (B) Retrophin and its Affiliates has performed or complied with all obligations, conditions and covenants required to be performed by it or them under this Agreement at or prior to the Closing.

(ii) A Bill of Sale, executed by and dated as of the Closing Date, in the form of Exhibit A hereto (the "**Bill of Sale**");

(iii) Trademark Assignments for each of the Trademark Properties in a form satisfactory to Waldun and executed by Retrophin and any applicable Affiliate dated as of the Closing Date, in the form of Exhibit B hereto (the "**Trademark Assignments**");

(iv) A signed Consent Agreement as set forth in Section 4.4(a);

(v) The consents from Nexgen and Athyrium Capital Management as set forth in Section 4.4(b); and

(vi) The Product Rights and the Assets.

(b) Waldun's Deliverables. At the Closing, Waldun shall have delivered (or will deliver in the case of the Financial Consideration) to Retrophin the following:

(i) A Certificate, in a form reasonably satisfactory to Retrophin, executed by the Waldun Representative and dated of the Closing Date, certifying that (A) each of the representations and warranties of Waldun set forth in this Agreement is true and correct, in all material respects, as of the Closing Date as though made on and as of the Closing Date, and (B) Waldun have performed or complied with, in all material respects, all obligations, conditions and covenants required to be performed by it under this Agreement at or prior to the Closing;

(ii) A signed Consent Agreement as set forth in Section 4.4(a); and

(iii) The Financial Consideration to be paid within two (2) Business Days after the Closing Date.

6.3 Conditions to Obligations of Waldun. The obligations of Waldun to purchase the Product Rights and the Assets and to consummate any other transactions contemplated by this Agreement are subject to the satisfaction on and as of the Closing Date of each of the following conditions (or Waldun's express waiver of such condition in writing):

(a) Representations and Warranties. The representations and warranties of the Vecamyl Sellers set forth in this Agreement shall be true and correct, in all material respects, as of the Closing Date.

(b) Performance of Obligations of the Vecamyl Sellers. The Vecamyl Sellers shall have performed or complied in all material respects with all obligations, conditions and covenants required to be performed by them under this Agreement at or prior to the Closing.

(c) Consents. The consents set forth in Section 4.4(b) shall have been obtained from Nexgen and Athyrium Capital Management.

(d) No Injunction. There shall not have been issued and in effect any injunction or similar legal order prohibiting or restraining consummation the transaction contemplated by this Agreement.

(e) Closing Deliverables. On or before the Closing, Waldun shall have received from the Vecamyl Sellers each of the deliverables set forth in Section 6.2(a)(i)-(v) above. The Product Rights and the Assets shall be available for transfer at the Closing at the direction of Waldun.

6.4 Conditions to the Obligations of the Vecamyl Sellers. The obligations of the Vecamyl Sellers to sell, assign, convey and deliver the Product Rights and the Assets are subject to the satisfaction on and as of the Closing of each of the following conditions (or the Vecamyl Sellers' expressed waiver of such condition in writing):

(a) Representations and Warranties. The representations and warranties of Waldun set forth in this Agreement shall be true and correct in all material respects as of the Closing.

(b) Performance of Obligations of Waldun. Waldun shall have performed in all material respects all obligations required to be performed by it under this Agreement at or prior to the Closing Date.

(c) No Injunction. There shall not have been issued and in effect any injunction or similar legal order prohibiting or restraining consummation the transaction contemplated by this Agreement.

(d) Closing Deliverables. On or before the Closing, the Vecamyl Sellers shall have received from Waldun each of the deliverables set forth in Section 6.2(b)(i)-(ii) above.

ARTICLE 7
POST-CLOSING COVENANTS

7.1 Additional Deliveries. For no additional consideration, from time to time, on and after the Closing Date, at the request of Waldun or any Waldun transferee, the Vecamyl Sellers shall execute and deliver such additional or confirmatory instruments, documents of conveyance, endorsements, assignments and acknowledgments as are necessary to evidence or vest in Waldun or any Waldun transferee sole and exclusive title in and to the Product Rights and the Assets.

7.2 Call Center. The Vecamyl Sellers agree to authorize The Medical Affairs Company ("**TMAC**") to transfer to Waldun or any Waldun transferee all rights in and to the existing FAQs and Standard Responses related to the Product heretofore developed by TMAC for the Vecamyl Sellers upon the entry of Waldun or any Waldun transferee into an agreement with TMAC to provide call center services related to the Product for Waldun or any Waldun transferee.

ARTICLE 8
INDEMNIFICATION

8.1 By Retrophin. From and after the Closing Date, to the extent provided in this Article 8, Retrophin shall indemnify, defend and hold harmless Waldun and its Affiliates and their respective officers, directors, employees, agents, successors and assigns from and against any claims, suits or proceedings and any damages or liability therefrom or settlement thereof (including reasonable fees of attorneys and related costs) to the extent arising out of or related to (a) any breach of any representation, warranty, covenant or agreement of the Vecamyl Sellers contained in this Agreement and (b) any continuing obligations pertaining to the Product and Chenodal under the Purchase Agreements as set forth in the Consent Agreement.

8.2 By Waldun. From and after the Closing Date, to the extent provided in this Article 8, Waldun shall indemnify, defend and hold harmless Retrophin and its Affiliates and their respective officers, directors, employees, agents, successors and assigns from and against any claims, suits or proceedings and any damages or liability therefrom or settlement thereof (including reasonable fees of attorneys and related costs) to the extent arising out of or related to any breach of any representation, warranty, covenant or agreement of Waldun contained in this Agreement.

8.3 Indemnification Procedures. A Party (the "**Indemnitee**") that intends to claim indemnification under this Article 8 shall promptly notify the other Party (the "**Indemnitor**") in writing of any action, claim or liability in respect to which the Indemnitee or any of its Affiliates or its or their respective officers, directors, employees or agents intends to claim such indemnification. The Indemnitee shall permit and shall cause its employees and agents to permit, the Indemnitor, at its discretion, to settle any such action, claim or liability and agrees to the complete control of such defense or settlement by the Indemnitor; provided, however, that such settlement does not materially and adversely affect the Indemnitee's rights hereunder or impose any obligations on the Indemnitee in addition to those set forth herein. No such action, claim or liability shall be settled by the Indemnitee without the prior written consent of the Indemnitor (which consent shall not be unreasonably withheld, delayed or conditioned), and the Indemnitor shall not be responsible for any fees or other costs incurred other than as provided herein. The Indemnitee, its employees, agents and Affiliates shall cooperate fully with the Indemnitor and its legal representatives in the investigation and defense of any action, claim or liability covered by this indemnification. The Indemnitee shall have the right, but not the obligation to be represented by counsel of its own selection at its own expense.

ARTICLE 9
DISPUTE RESOLUTION

9.1 Arbitration.

(a) Any dispute arising out of or relating to this Agreement (including the Exhibits referenced herein, and the Ancillary Agreements) that cannot be resolved in thirty (30) days through good faith negotiation and discussion among the Parties shall be finally settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules using the Expedited Procedures then in effect (the **"Arbitration Rules"**). The arbitration shall be conducted in the County and State of New York, unless otherwise agreed by the Parties in writing. The arbitration shall be conducted in the English language.

(b) The arbitration shall be conducted by a single, neutral arbitrator ("**Arbitrator**") selected as follows: Within ten (10) days after receipt of an arbitration notice from a Party, the Parties shall attempt in good faith to agree on an Arbitrator. If the Parties do not agree on an Arbitrator within ten (10) days after receipt of an arbitration notice, the Parties shall exchange lists containing the names of three (3) candidates proposed by each Party to serve in such capacity. No later than the five (5) days after the exchange of each Party's list of candidates, each Party shall deliver to the other a list ranking all six (6) candidates proposed by the Parties in order of preference (one (1) being the most preferred and six (6) being the least

preferred). The candidate with the lowest aggregate ranking on the Parties' lists shall serve as the Arbitrator (with the candidate whose last name comes first alphabetically being chosen in case of a tie). If any candidate selected in accordance with the procedures provided in this Section is unable or unwilling to act as the Arbitrator, the candidate whose ranking is next lowest shall be approached until an Arbitrator is selected. If none of the candidates proposed by the Parties is capable or willing to serve as the Arbitrator, the Parties may either agree to repeat the process until an Arbitrator is selected or, at the election of either Party, proceed in accordance with the Arbitration Rules.

(c) The decision or award of the Arbitrator shall be final, binding and incontestable and may be used as a basis for judgment thereon in any jurisdiction. The Parties hereby expressly agree to waive the right to appeal from the decision of the Arbitrator. Accordingly, there shall be no appeal to any court or other authority (government or private) from the decision of the Arbitrator, and the Parties shall not dispute nor question the validity of such decision or award before any regulatory or other authority in any jurisdiction where enforcement action is taken by the Party in whose favor the decision or award is rendered, except in the case the decision or award was procured by fraud. The Arbitrator shall, upon the request of either Party, issue a written opinion of the findings of fact and conclusions of law and shall deliver a copy to each of the Parties. Each Party shall bear its own costs and attorneys' fees, and the Parties shall equally bear the fees, costs, and expenses of the Arbitrator and the arbitration proceedings; provided, however, that the Arbitrator may exercise discretion to award costs, including reasonable and necessary attorneys' fees, to the prevailing Party.

9.2 Jurisdiction/Venue/Enforcement of Award. The Parties consent and submit to the exclusive personal jurisdiction and venue of the Supreme Court of the State of New York and the United States District Court for the Southern District of New York, each located in County of New York, State of New York, to compel arbitration in accordance with this Agreement, to enforce any arbitration award granted pursuant to this Agreement, including, any award granting equitable or injunctive relief, and to otherwise enforce this Agreement and carry out the intentions of the Parties to resolve all disputes arising under or in connection with this Agreement through arbitration.

ARTICLE 10
MISCELLANEOUS

10.1 Counterparts. This Agreement may be executed in up to four (4) counterparts, each of which shall be deemed an original and both of which shall constitute a single document.

10.2 Entire Agreement. This Agreement, the Exhibits referenced herein and the Ancillary Agreements contain the entire agreement between the Parties with respect to the subject matter hereof and supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter.

10.3 Exhibits. The Exhibits referenced herein and attached hereto are incorporated into this Agreement by reference.

10.4 Governing Law. This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of New York irrespective of the choice of laws principles of the State of New York or any other jurisdiction.

10.5 Assignability. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. The Vecamyl Sellers may not assign its or their rights or delegate its or their respective obligations under this Agreement without the express prior written consent of Waldun; provided that Retrophin may assign or transfer this Agreement, to an Affiliate (provided that Retrophin remains liable hereunder should such Affiliate default in any way), or to any Third Party in connection with the sale or transfer of Retrophin's entire business. Notwithstanding the above and for the avoidance of doubt, given the circumstances of the overall transaction, Retrophin understands and agrees that Waldun will have the right to transfer the Product Rights and the Assets it has received pursuant hereto to a Third Party and that such Third Party shall have the benefit of the terms and conditions of Section 7.2 above.

10.6 Third Party Beneficiaries. Nothing in this Agreement shall be deemed to create any third party beneficiary rights in or on behalf of any other Person, except as set forth in Section 10.5 above.

10.7 Notices. All notices or other communications required or permitted hereunder shall be in writing and shall be deemed given (a) when delivered personally, as shown by written receipt of the receiving party, (b) if sent by registered or certified mail, return receipt requested, postage prepaid, when received, (c) on the date sent by email if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient and (d) when delivered by a nationally recognized overnight courier service, prepaid, when received as shown by written receipt of the receiving party and shall be addressed as follows:

If to Retrophin, to:	Retrophin, Inc. 12255 El Camino Real San Diego, CA 92130 Attention: General Counsel
If to Waldun, to:	Waldun Pharmaceuticals, LLC 251 Loring Avenue Pelham, New York 10803 Attention: Brian Smith
With a copy to:	Joseph I. Hirsch, Esq. 4149 Georgia Avenue Palo Alto, California 94306-3813

Either Party may, by notice to the other Parties given in the form specified in this Section 10.7, change the address to which such notices are to be given. Notices delivered personally shall be deemed communicated as of the date of actual receipt; and notices sent via overnight courier or mailed in accordance with the above shall be deemed communicated as of the date of a signed receipt pertaining thereto. A Party may change its address by written notice in accordance with this Section 10.7.

10.8 Severability. If any provision of this Agreement shall be held invalid, illegal or unenforceable, the validity, legality or unenforceability of the other provisions of this Agreement shall not be affected thereby, and there shall be deemed substituted for the provision at issue a valid, legal and enforceable provision as similar as possible to the provision at issue.

10.9 Survival. Except as expressly set forth herein, the covenants, representations and warranties contained in this Agreement, and liability for the breach of any obligations contained herein, shall survive the Closing Date and shall remain in full force and effect.

10.10 No Implied Waiver. No failure or delay on the part of the Parties hereto to exercise any right, power or privilege hereunder or under any instrument executed pursuant hereto shall operate as a waiver; nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

10.11 Amendments. Any amendment or modification of this Agreement shall only be valid if made in writing and signed and delivered by both of the Parties hereto.

10.12 Independent Contractors. The relationship between the Vecamyl Sellers and Waldun is that of independent contractors and nothing herein shall be deemed to constitute the relationship of partners, joint venturers nor of principal and agent between the Vecamyl Sellers and Waldun.

10.13 Expenses. Except as expressly set forth herein, each Party shall pay all of its own fees and expenses (including all legal, accounting and other advisory fees) incurred in connection with the negotiation and execution of this Agreement and the arrangements contemplated hereby.

10.14 Representation By Counsel; Interpretation. The Vecamyl Sellers and Waldun each acknowledge that it and they have been represented by its and their own legal counsel in connection with this Agreement and the transactions contemplated by this Agreement. Accordingly, any rule of law, or any legal decision that would require interpretation of any claimed ambiguities in this Agreement against the Party that drafted it, has no application and is expressly waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the intent of Retrophin and Waldun.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, the Parties, intending to be bound hereby, have executed this Agreement as of the date first written above.

RETROPHIN, INC.

By: /s/ Margaret Valeur-Jensen
Print Name: Margaret Valeur-Jensen
Title: General Counsel

RETROPHIN THERAPEUTICS INTERNATIONAL, LLC

By: /s/ Margaret Valeur-Jensen
Print Name: Margaret Valeur-Jensen
Title: General Counsel

MANCHESTER PHARMACEUTICALS, LLC

By: /s/ Margaret Valeur-Jensen
Print Name: Margaret Valeur-Jensen
Title: General Counsel

WALDUN PHARMACEUTICALS, LLC

By: /s/ Brian Smith
Brian Smith
The Waldun Representative and Member

EXHIBIT A

BILL OF SALE

EXHIBIT B

TRADEMARK ASSIGNMENTS

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO EXCHANGE ACT RULE 13a-14(a) OR 15d-14(a)

I, Stephen Aselage, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Retrophin, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 11, 2015

/s/ Stephen Aselage
Stephen Aselage
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO EXCHANGE ACT RULE 13a-14(a) OR 15d-14(a)

I, Laura Clague, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Retrophin, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 11, 2015

/s/ Laura Clague
Laura Clague
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION OF
CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the accompanying Quarterly Report on Form 10-Q of Retrophin, Inc. (the "Company"), for the period ending March 31, 2015 (the "Report"), the undersigned officer of the Company hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 11, 2015

/s/ Stephen Aselage
Stephen Aselage
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 32.2

CERTIFICATION OF
CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the accompanying Quarterly Report on Form 10-Q of Retrophin, Inc. (the "Company"), for the period ending March 31, 2015 (the "Report"), the undersigned officer of the Company hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to such officer's knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report, fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 11, 2015

/s/ Laura Clague
Laura Clague
Chief Financial Officer
(Principal Financial Officer)