

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

**FORM S-8
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

Novus Therapeutics, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

20-100967
(I.R.S. Employer
Identification No.)

**19900 MacArthur Blvd., Suite 550
Irvine, California**
(Address of Principal Executive Offices)

92612
(Zip Code)

**Novus Therapeutics, Inc. 2014 Stock Incentive Plan*
Novus Therapeutics, Inc. 2014 Employee Stock Purchase Plan*
Stand Alone Inducement Stock Options*
(Full title of the plan)**

***See Explanatory Note on Following Page**

**Gregory J. Flesher
Chief Executive Officer
Novus Therapeutics, Inc.
19900 MacArthur Blvd., Suite 550
Irvine, California 92612
(949) 238-8090**

(Name, address, and telephone number, including area code, of agent for service)

Copy to:

**Ryan A. Murr
Gibson, Dunn & Crutcher LLP
555 Mission Street, Suite 3000
San Francisco, California 94105
Telephone: (415) 393-8373
Facsimile: (415) 374-8430**

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller reporting company
Emerging growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be Registered (1)	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, \$0.001 par value per share	1,506,916 (2)	\$1.00 (5)	\$1,506,916 (5)	\$182.64
Common Stock, \$0.001 par value per share	253,564 (3)	\$1.00 (6)	\$253,564 (6)	\$30.73
Common Stock, \$0.001 par value per share	1,800 (4)	\$4.86 (7)	\$8,748 (7)	\$1.06
Common Stock, \$0.001 par value per share	35,000 (4)	\$5.61 (7)	\$196,350 (7)	\$23.80
Total	1,797,282			\$238.23

- (1) In accordance with Rule 416 under the Securities Act of 1933, as amended (the "Securities Act"), this registration statement shall be deemed to cover any additional securities that may from time to time be offered or issued to prevent dilution resulting from stock splits, stock dividends or similar transactions.
- (2) Represents shares of common stock, par value \$0.001 per share (the "Common Stock") authorized for issuance under the Novus Therapeutics, Inc. 2014 Stock Incentive Plan (the "2014 Plan").
- (3) Represents shares of Common Stock authorized for issuance under the Novus Therapeutics, Inc. 2014 Employee Stock Purchase Plan (the "2014 ESPP").
- (4) Represents shares of Common Stock potentially issuable upon the exercise of options granted as an inducement award made pursuant to Nasdaq Listing Rule 5635(c)(4).
- (5) This estimate is made pursuant to Rule 457(h) and Rule 457(c) under the Securities Act solely for the purpose of determining the registration fee. The price per share and aggregate offering price are based upon the average of the high and low prices of the Registrant's Common Stock, as reported on the Nasdaq Capital Market on June 27, 2019.
- (6) This estimate is made pursuant to Rule 457(h) and Rule 457(c) under the Securities Act solely for the purpose of determining the registration fee. The price per share and aggregate offering price are based upon 85% of the average of the high and low prices of the Registrant's Common Stock, as reported on the Nasdaq Capital Market on June 27, 2019. Pursuant to the 2014 ESPP, the purchase price of a share of Common Stock will be 85% of the lesser of the closing price of the Common Stock on (i) the first business day of the applicable plan period or (ii) the exercise date.
- (7) Based upon the price at which the stock options may be exercised, pursuant to Rule 457(h) under the Securities Act.

EXPLANATORY NOTE

This Registration Statement on Form S-8 is being filed by Novus Therapeutics, Inc. (the “Registrant” or the “Company”) to register a total of 1,797,282 shares of Common Stock, consisting of (i) 1,506,916 shares issuable pursuant to the 2014 Stock Incentive Plan (“2014 Plan”), (ii) 253,564 shares issuable pursuant to the 2014 Employee Stock Purchase Plan (“2014 ESPP”) and (iii) 36,800 shares issuable pursuant to previously announced stand-alone stock option awards granted as an inducement award for newly hired employees made pursuant to Nasdaq Listing Rule 5635(c)(4).

PART I

INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

The documents containing the information specified in Part I of Form S-8 will be sent or given to employees as specified by Rule 428(b)(1) of the Securities Act. Such documents need not be filed with the Securities and Exchange Commission (the “Commission”) either as part of this Registration Statement or as prospectuses or prospectus supplements pursuant to Rule 424 of the Securities Act. Such documents and the documents incorporated by reference in this Registration Statement pursuant to Item 3 of Part II of Form S-8, taken together, constitute a prospectus that meets the requirements of Section 10(a) of the Securities Act.

PART II
INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Documents by Reference.

The Registrant is subject to the informational and reporting requirements of Sections 13(a), 14, and 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the Commission. The following documents, which are on file with the Commission, are incorporated in this registration statement by reference:

- The Registrant's Annual Report on [Form 10-K](#) for the fiscal year ended December 31, 2018; and
- All other reports filed by the Registrant pursuant to Section 13(a) or 15(d) of the Exchange Act since the end of the fiscal year covered by the Registrant's Annual Report referred to in the bullet above; and
- The description of the Registrant's common stock contained in the Registrant's Registration Statement on Form 8-A filed with the SEC on [September 12, 2014](#), as amended on [June 23, 2017](#), as well as any subsequent amendments or reports filed for the purpose of updating such description.

In addition, all documents filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date hereof and prior to the filing of a post-effective amendment to this Registration Statement which indicates that all securities offered hereby have been sold or which deregisters all such securities then remaining unsold, shall be deemed to be incorporated by reference in this Registration Statement and made part hereof from their respective dates of filing (such documents, and the documents listed above, being hereinafter referred to as "Incorporated Documents"); provided, however, that the documents listed above or subsequently filed by the Company pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act in each year during which the offering made by this Registration Statement is in effect prior to the filing with the Commission of the Company's Annual Report on Form 10-K covering such year shall cease to be Incorporated Documents or be incorporated by reference in this Registration Statement from and after the filing of such Annual Reports. Notwithstanding the foregoing, a report furnished on Form 8-K shall not be incorporated by reference herein unless expressly incorporated by reference.

Any statement contained herein shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained in any subsequently filed Incorporated Document modifies or supersedes such statement. Any statement contained in an Incorporated Document shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein or in any other subsequently filed Incorporated Document modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

Item 4. Description of Securities.

Not applicable.

Item 5. Interests of Named Experts and Counsel.

None.

Item 6. Indemnification of Directors and Officers.

Section 102 of the Delaware General Corporation Law permits a corporation to eliminate the personal liability of directors of a corporation to the corporation or its stockholders for monetary damages for a breach of fiduciary duty as a director, except where the director breached his duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit. Our certificate of incorporation provides that none of our directors shall be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duty as director, notwithstanding any provision of law imposing such liability, except to the extent that the Delaware General Corporation Law prohibits the elimination or limitation of liability of directors for breaches of fiduciary duty.

Section 145 of the Delaware General Corporation Law provides that a corporation has the power to indemnify a director, officer, employee or agent of the corporation and certain other persons serving at the request of the corporation in related capacities against expenses (including attorneys' fees), judgments, fines and amounts paid in settlements actually and reasonably incurred by the person in connection with an action, suit or proceeding to which he is or is threatened to be made a party by reason of such position, if such person acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and, in any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful, except that, in the case of actions brought by or in the right of the corporation, no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or other adjudicating court determines that, despite the adjudication of liability but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Our certificate of incorporation provides that we will indemnify each person who was or is a party or threatened to be made a party to or is involved in any threatened, pending or completed action, suit or proceeding by reason of the fact that he or she is or was a director or officer of us or is or was serving at our request as a director or officer of another corporation, partnership, joint venture, trust or other enterprise to the fullest extent permitted by the Delaware General Corporation Law. Our certificate of incorporation provides that expenses must be advanced to these indemnitees under certain circumstances.

We have entered into indemnification agreements with each of our directors and officers. Each indemnification agreement provides that we will, among other things, indemnify our directors and executive officers for some expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by a director or officer in any action or proceeding arising out of his or her service as one of our directors or officers, or any of our subsidiaries or any other company or enterprise to which the person provides services at our request.

In addition, we maintain standard policies of insurance under which coverage is provided to our directors and officers against losses arising from claims made by reason of breach of duty or other wrongful act, and to us with respect to payments which may be made by us to such directors and officers pursuant to the above indemnification provisions or otherwise as a matter of law. In any underwriting agreement we enter into in connection with the sale of common stock being registered hereby, the underwriters will agree to indemnify, under certain conditions, us, our directors, our officers and persons who control us within the meaning of the Securities Act against certain liabilities.

Item 7. Exemption from Registration Claimed.

Not applicable.

Item 8. Exhibits.

The following exhibits are filed as part of this registration statement:

EXHIBIT INDEX

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
4.1	Restated Certificate of Incorporation of Novus Therapeutics, Inc., a Delaware corporation, dated September 22, 2014	8-K	001-36620	3.1	September 26, 2014	
4.2	Certificate of Amendment to Certificate of Incorporation of Novus Therapeutics, Inc., filed with the Secretary of the State of Delaware on May 9, 2017	8-K	001-36620	3.1	May 15, 2017	
4.3	Certificate of Amendment to Certificate of Incorporation of Novus Therapeutics, Inc., filed with the Secretary of the State of Delaware on May 9, 2017	8-K	001-36620	3.2	May 15, 2017	
4.4	Amended and Restated Bylaws of Novus Therapeutics, Inc.	8-A/A	001-36620	3.4	June 23, 2017	
4.5	Form of Common Stock Certificate	8-A/A	001-36620	4.1	June 23, 2017	
5.1	Opinion of Gibson, Dunn & Crutcher LLP, counsel to the Registrant					X

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
23.1	Consent of Independent Registered Public Accounting Firm					X
23.2	Consent of Gibson, Dunn & Crutcher LLP (included in Exhibit 5.1)					
24.1	Power of attorney (included on the signature pages of this registration statement)					
99.1	Novus Therapeutics, Inc. 2014 Stock Incentive Plan	10-Q	001-36620	10.2	August 7, 2018	
99.2	Novus Therapeutics, Inc. 2014 Employee Stock Purchase Plan	10-Q	001-36620	10.3	August 7, 2018	
99.3	Form of Inducement Stock Option Award					X

Item 9. Undertakings.

(a) The Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act.

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement.

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.

provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) herein do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(h) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Irvine, State of California, on June 28, 2019.

NOVUS THERAPEUTICS, INC.

By: /s/ Gregory J. Flesher
Gregory J. Flesher
Chief Executive Officer

POWER OF ATTORNEY AND SIGNATURES

We, the undersigned officers and directors of Novus Therapeutics, Inc., hereby severally constitute and appoint Gregory J. Flesher and Jon S. Kuwahara, and each of them singly, our true and lawful attorneys with full power to any of them, and to each of them singly, to sign for us and in our names in the capacities indicated below the Registration Statement on Form S-8 filed herewith and any and all amendments (including post-effective amendments) to said Registration Statement, and generally to do all such things in our name and on our behalf in our capacities as officers and directors to enable Novus Therapeutics, Inc. to comply with the provisions of the Securities Act of 1933, as amended, and all requirements of the Securities and Exchange Commission, hereby ratifying and confirming all that said attorneys, and each of them, or their substitute or substitutes, shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Gregory J. Flesher</u> Gregory J. Flesher	Chief Executive Officer and Director (Principal Executive Officer)	June 28, 2019
<u>/s/ Jon Kuwahara</u> Jon Kuwahara	Senior Vice President of Finance and Administration (Principal Financial and Accounting Officer)	June 28, 2019
<u>/s/ Keith A. Katkin</u> Keith A. Katkin	Director, Chairman of the Board	June 28, 2019
<u>/s/ Erez Chimovits</u> Erez Chimovits	Director	June 28, 2019
<u>/s/ Cheryl L. Cohen</u> Cheryl L. Cohen	Director	June 28, 2019
<u>/s/ Gary A. Lyons</u> Gary A. Lyons	Director	June 28, 2019
<u>/s/ John S. McBride</u> John S. McBride	Director	June 28, 2019

GIBSON DUNN

Gibson, Dunn & Crutcher LLP
555 Mission Street
San Francisco, CA 94105-0921
Tel 415.393.8200
www.gibsondunn.com

June 28, 2019

Novus Therapeutics, Inc.
19900 MacArthur Blvd., Suite 550
Irvine, California 92612

Re: Novus Therapeutics, Inc. Registration Statement on Form S-8

Ladies and Gentlemen:

We have examined the Registration Statement on Form S-8 (the "Registration Statement"), of Novus Therapeutics, Inc., a Delaware corporation (the "Company") filed with the Securities and Exchange Commission (the "Commission") pursuant to the Securities Act of 1933, as amended (the "Securities Act"), in connection with the offering by the Company of up to (i) 1,506,918 shares of the Company's common stock, par value \$0.001 per share (the "Common Stock"), that were added to the shares authorized for future issuance under the Novus Therapeutics, Inc. 2014 Stock Incentive Plan (the "2014 Plan"); (ii) 253,564 shares of Common Stock that were added to the shares authorized for future issuance under the Novus Therapeutics, Inc. 2014 Employee Stock Purchase Plan (the "2014 ESPP"); and (iii) 36,800 shares of Common Stock issuable under stand-alone stock option awards (the "Inducement Awards" and together with the 2014 Plan and the 2014 ESPP, the "Plans").

We have examined the Plans and the originals, or photostatic or certified copies, of such records of the Company and certificates of officers of the Company and of public officials and such other documents as we have deemed relevant and necessary as the basis for the opinions set forth below. We have also made such other investigations as we have deemed relevant and necessary or appropriate in connection with the opinion hereinafter set forth. In our examination, we have assumed the genuineness of all signatures, the legal capacity and competency of all natural persons, the authenticity of all documents submitted to us as originals and the conformity to original documents of all documents submitted to us as copies. We have also assumed that there are no agreements or understandings between or among the Company and any participants in the Plans that would expand, modify or otherwise affect the terms of the Plans or the respective rights or obligations of the participants thereunder. Finally, we have assumed the accuracy of all other information provided to us by the Company during the course of our investigations, on which we have relied in issuing the opinion expressed below.

Based upon the foregoing examination and in reliance thereon, and subject to the assumptions stated and in reliance on statements of fact contained in the documents that we have examined, we are of the opinion that the shares of Common Stock issuable under the Plans, when issued and sold in accordance with the terms of the respective Plans and against payment therefor, and when the Registration Statement has become effective under the Securities Act, will be validly issued, fully paid and non-assessable.

We render no opinion herein as to matters involving the laws of any jurisdiction other than the Delaware General Corporation Law (the "DGCL"). We are not admitted to practice in the State of Delaware; however, we are generally familiar with the DGCL as currently in effect and have made such inquiries as we consider necessary to render the opinions above. This opinion is limited to the effect of the current state of the law of the DGCL and the facts as they currently exist. We assume no obligation to revise or supplement this opinion in the event of future changes in such law or the interpretations thereof or such facts.

We consent to the filing of this opinion as an exhibit to the Registration Statement. In giving this consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act or the Rules and Regulations of the Commission.

Very truly yours,

/s/ Gibson, Dunn & Crutcher LLP

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-8) pertaining to the Novus Therapeutics, Inc. 2014 Stock Incentive Plan, Novus Therapeutics, Inc. 2014 Employee Stock Purchase Plan, and Stand Alone Inducement Stock Options of Novus Therapeutics, Inc. of our report dated March 27, 2019, with respect to the consolidated financial statements of Novus Therapeutics, Inc. included in its Annual Report (Form 10-K) for the year ended December 31, 2018, filed with the Securities and Exchange Commission.

/s/ Ernst & Young LLP

Irvine, California
June 28, 2019

NOVUS THERAPEUTICS, INC.

NON-QUALIFIED STOCK OPTION INDUCEMENT AWARD AGREEMENT

No. of shares subject to Option: _____

THIS AGREEMENT dated this [●], between NOVUS THERAPEUTICS, INC., a Delaware corporation (the "Company"), and [●] ("Participant"), is made in connection with Participant's entry into that certain employment agreement with the Company dated as of [●] (the "Employment Agreement") and is an inducement material to the Participant's entry into employment within the meaning of Rule 5635(c)(4) of the NASDAQ Listing Rules.

If and to the extent that this Agreement conflicts or is inconsistent with the terms, conditions and provisions of any employment, consulting or similar services agreement (including the Employment Agreement) between the Participant and the Company as may be in effect (the "Service Agreement"), the Service Agreement shall control, and this Agreement shall be deemed to be modified accordingly.

Although this Option is an inducement award made outside of the Company's 2014 Stock Incentive Plan (the "Plan"), it shall be subject to terms of the Plan in all respects as if granted under the Plan, which are incorporated into this Agreement by this reference, and which shall control in the event of any conflict with the terms and conditions hereof.

1. **Grant of Option.** The Company, on [●] (the "Date of Grant"), granted to Participant, subject to the terms and conditions herein set forth, the right and option to purchase from the Company all or any part of an aggregate of [●] shares of common stock of the Company, par value \$0.01 per share (the "Common Stock") at the option price of \$ _____ per share, being not less than the closing price of a share of our Common Stock on the NASDAQ on the Date of Grant (the "Option"). This Option is intended to be a nonqualified stock option and not an "incentive stock option" within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"). This Option is exercisable as hereinafter provided.

2. **Terms and Conditions.** This Option is subject to the following terms and conditions:

(a) **Expiration Date.** This Option shall expire ten years from the Date of Grant (the "Expiration Date").

(b) **Exercise of Option.** Except as provided for in Section 10(d) of the Plan, this Option shall be exercisable with respect to twenty-five percent (25%) of the shares of Common Stock subject to this Option on the first anniversary of the Date of Grant (the "First Anniversary Date") and thereafter with respect to 1/48th of the shares of Common Stock subject to this Option monthly over the following 36 months, such that the Options shall be fully vested and exercisable on the fourth anniversary of the Date of Grant, subject to the Participant's continued service with the Company through each such vesting date. If the foregoing schedule would produce fractional shares, the number of shares for which the Option becomes exercisable shall be rounded down to the nearest whole share. Once this Option has become exercisable in accordance with the preceding sentences it shall continue to be

exercisable until the termination of Participant's rights hereunder pursuant to Section 10(d) of the Plan or until the Option has expired pursuant to subparagraph 2(a). A partial exercise of this Option shall not affect Participant's right to exercise this Option with respect to the remaining shares, subject to the conditions of this Agreement.

(c) **Method of Exercising Option and Payment for Shares.** This Option shall be exercised by written notice delivered to the attention of the Company's Principal Financial Officer at the Company's principal office in California (see attachment A – "Notice of Option Exercise"). The exercise date shall be (i) in the case of notice by mail, the date of postmark, or (ii) if delivered in person, the date of delivery. Such notice shall be accompanied by payment of the Option price in full, in cash or cash equivalent acceptable to the Company, or by the surrender of shares of Common Stock with an aggregate fair market value (determined by the closing price of a share of our Common Stock as of the day preceding the exercise date) which, together with any cash or cash equivalent paid, is not less than the Option price for the number of shares for which this Option is being exercised.

(d) **Nontransferability.** This Option may not be transferred except by will or by the laws of descent and distribution. During Participant's lifetime, this Option may be exercised only by Participant.

(e) **Shareholder Rights.** Participant shall not have any rights as a shareholder with respect to shares subject to the Option until the date of exercise of such Option.

3. **The Plan and Other Agreements.** In addition to this Agreement, and although this Option is an inducement grant made outside of the Plan, it shall be subject to terms of the Plan, which are incorporated into this Agreement by this reference, and which shall control in the event of any conflict with the terms and conditions hereof. For the avoidance of doubt, the shares of Common Stock issuable hereunder shall not reduce or have any effect on the number of shares of Common Stock that may be issued under the Plan. The Service Agreement, this Agreement and the Plan constitute the entire understanding between the Participant and the Company regarding this Option. Any prior agreements, commitments or negotiations concerning this Option are superseded.

4. **Notice.** Any notice or other communication given pursuant to this Agreement shall be in writing and shall be personally delivered or mailed by United States registered or certified mail, postage prepaid, return receipt requested, to the Company at its principal place of business or to the Participant at the address on the payroll records of the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing. Any such notice shall be deemed to have been given (a) on the date of postmark, in the case of notice by mail, or (b) on the date of delivery, if delivered in person.

5. **Fractional Shares.** Fractional shares shall not be issuable hereunder, and when any provision hereof may entitle Participant to a fractional share such fraction shall be disregarded.

6. **No Right to Continued Employment.** This Option does not confer upon Participant any right to continue in the employ of the Company or an affiliate, nor shall it interfere in any way with the right of the Company or an affiliate to terminate such employment at any time.

7. **Administration.** Any question concerning the interpretation of this Agreement or the Option, any adjustments required to be made to the Option hereunder, and any controversy that may arise with respect to the Option will be determined by the Company in its sole and absolute discretion. All decisions by the Company shall be final, binding and conclusive.

8. **Compliance with Laws and Regulations.** Participant hereby acknowledges, represents and warrants to the Company that, unless a registration statement under the Securities Act of 1933, as amended (the "Securities Act"), with respect to the shares of Common Stock to be received upon the exercise of the Option is effective and current at the time of exercise of the Option, (i) the shares of Common Stock to be issued upon the exercise of the Option will be unregistered and acquired by Participant for his own account, for investment only and not with a view to the resale or distribution thereof and (ii) the shares of Common Stock to be issued upon the exercise of the Option may not be sold or transferred unless a registration statement under the Securities Act with respect to the resale of such shares is effective and current or such registration is determined to be unnecessary. Nothing herein shall be construed as requiring the Company to register the shares subject to the Option under the Securities Act. Notwithstanding anything herein to the contrary, if at any time the Company shall determine, in its discretion, that the listing or qualification of the shares of Common Stock subject to the Option on any securities exchange or under any applicable law, or the consent or approval of any governmental agency or regulatory body, is necessary or desirable as a condition to, or in connection with, the issuance of shares of Common Stock hereunder, the Option may not be exercised in whole or in part unless such listing, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Company.

9. **Governing Law.** This Agreement shall be governed by the laws of the state of Delaware.

10. **Binding Effect.** Subject to the limitations stated above, this Agreement shall be binding upon and inure to the benefit of the legatees, distributees, and personal representatives of Participant and the successors of the Company.

IN WITNESS WHEREOF, the Company has caused this Agreement to be signed by a duly authorized officer, and Participant has affixed his signature hereto.

NOVUS THERAPEUTICS, INC.

By: _____
Name: Gregory J. Flesher
Title: Chief Executive Officer

[NAME OF PARTICIPANT]

Chief Financial Officer
Novus Therapeutics, Inc.
19900 MacArthur Blvd., Suite 550
Irvine, California 92612

Notice Of Option Exercise

This letter is notice of my decision to exercise the option that was granted to me on _____. The exercise will be effective on _____. I am exercising the option for _____ shares of Common Stock. Enclosed is my check for \$_____, which is the aggregate option price for the number of shares for which I am exercising the option.

Please issue the certificate according to the following instructions:

Name/entity stock certificate issued to: _____
(If entity is a trust, please include date trust was established)

Address to send stock certificate: _____

Sincerely,

Accepted by: _____

Date: _____

Note: The date of exercise cannot be earlier than the date of delivery of this notice or the postmark, if the notice is mailed.