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

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**FORM 8-K**

**CURRENT REPORT**

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

Date of Report (date of earliest event reported): May 5, 2006 (May 1, 2006)

**Rexahn Pharmaceuticals, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**000-50590**  
(Commission  
File Number)

**11-3516358**  
(I.R.S. Employer  
Identification No.)

**9620 Medical Center Drive**  
**Rockville, Maryland 20850**  
(Address of principal executive offices) (Zip code)

**(240) 268-5300**  
(Registrant's telephone number, including area code)

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## INFORMATION TO BE INCLUDED IN THE REPORT

### **Item 1.01 Entry into a Material Definitive Agreement.**

John Holaday, a director of Rexahn Pharmaceuticals, Inc. (the "Company") resigned from the Board of Directors effective May 1, 2006. Under the Company's Stock Option Plan (the "Plan"), a director whose service as a member of the Board of Directors terminates may exercise any vested options for a period of 30 days after termination of service. In recognition of Dr. Holaday's service as a director of the Company, the Board of Directors determined to accelerate the vesting and extend the exercise period of Dr. Holaday's options as described below.

The Company and Dr. Holaday entered into an Extension of Stock Option Agreements dated May 2, 2006 modifying the outstanding stock options granted to Dr. Holaday under the Plan such that upon the effectiveness of his resignation as a director, all of Dr. Holaday's stock options became fully vested and exercisable until 10 years from the respective dates of grant of the options.

The above description is qualified in its entirety by reference to the full text of the Extension of Stock Option Agreements, a copy of which is attached hereto as Exhibit 10.1 and incorporated herein by reference.

### **Item 5.02. Departure of Directors or Principal Executive Officers; Election of Directors; Appointment of Principal Officers.**

On May 1, 2006, Inok Ahn and John Holaday both resigned, effective immediately, as members of the Board of Directors of the Company.

On May 1, 2006, the Board of Directors of the Company elected Charles Beever, Kwang Soo Cheong and Y. Michele Kang to fill the vacancies created by the resignations and an existing vacancy created by an earlier director resignation.

There is no arrangement or understanding between the new directors and any other persons pursuant to which they were elected as directors of the Company.

In connection with the election of the new directors, the Board of Directors also established three committees of the Board and named the following directors to serve on those committees:

#### **Audit Committee**

Kwang Soo Cheong (Chair), Charles Beever and Michele Kang

#### **Nominating and Corporate Governance Committee**

Michele Kang (Chair), David McIntosh and Young Soon Park

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## **Compensation Committee**

David McIntosh (Chair), Charles Beever and Kwang Soo Cheong

Mr. Beever has been a partner and Vice President of Booz·Allen & Hamilton, Inc. since October 1993, and served as staff member and Engagement Manager at Booz·Allen Hamilton from January 1984 to October 2003. Prior to joining Booz·Allen Hamilton, Mr. Beever served as Plant Production Manager from October 1981 to January 1984, Industrial Engineering Manager from June 1979 to October 1981 and Production Supervisor from July 1978 to June 1979 at McGraw-Edison Company. Mr. Beever holds a B.A. in Economics from Haverford College, where he was elected to Phi Beta Kappa, and an M.B.A. from the Harvard Graduate School of Business Administration.

Dr. Cheong has served as Assistant Professor in the Department of Finance since 2001 and the Interim Department Chair and Director of Finance Programs during November 2005 at Johns Hopkins University. Dr. Cheong served as Assistant Professor at the University of Hawaii from 1994 to 2001. During the summer of 1995, Dr. Cheong was a Visiting Fellow in the Taxation and Welfare Division in the Korea Development Institute. From 1993 to 1994, Dr. Cheong was a lecturer at the Stanford University Department of Economics. Dr. Cheong holds a B.A. in Economics and an M.A. in Economics from Seoul National University, and a Ph.D. in Economics from Stanford University.

Ms. Kang has served as Vice President and General Manager of Northrop Grumman Information Technology's Health Solutions division since 2003; Vice President and Deputy General Manager, Global Information Technology of Northrop Grumman Mission Systems from 2001 to 2003; and Vice President, e-Business of Northrop Grumman Mission Systems from 2000 to 2001. She is a member of the eHealth Initiative Leadership Council and a member of the steering committee of Connecting for Health. Prior to joining Northrop Grumman, Ms. Kang was a partner in the Strategic Advisory Services group of Ernst & Young LLP. Ms. Kang received a B.A. in Economics from the University of Chicago and a Master's degree in Public and Private Management from the Yale School of Management.

### **Item 9.01. Financial Statements and Exhibits.**

(c) Exhibits.

10.1 Extension of Stock Option Agreements dated May 2, 2006 by and between Rexahn Pharmaceuticals, Inc. and John Holaday.

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**SIGNATURES**

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

REXAHN PHARMACEUTICALS, INC.  
(Registrant)

By /s/ Chang H. Ahn  
Chang H. Ahn  
Chairman and Chief Executive Officer

Date: May 5, 2006

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EXHIBIT INDEX

Exhibit  
Number

Description

[10.1](#)

Extension of Stock Option Agreements dated May 2, 2006 by and between Rexahn Pharmaceuticals, Inc. and John Holaday.

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**EXTENSION OF STOCK OPTION AGREEMENTS**

This extension of previously issued stock option grants (this "Agreement") is entered into on this 2nd day of May, 2006, by and between Rexahn Pharmaceuticals, Inc., a Delaware corporation (the "Company"), and John Holaday, the undersigned director (the "Director") of the Company.

WHEREAS, the Director was previously granted stock options pursuant to Stock Option Grant Agreements, dated August 5, 2003, April 20, 2004 and September 12, 2005, by and between the Company and the Director, as amended by the consent letter dated December 8, 2005 (collectively, the "Option Agreements"; and the stock options granted pursuant to the Option Agreements are hereinafter referred to as the "Options"); and

WHEREAS, the Director and the Company now wish, among other things, to extend the exercise period of those Options in connection with the Director's resignation as a director of the Company; and

WHEREAS, the Director and the Company are cognizant of the new rules governing stock options under Internal Revenue Code Section 409A (together with any proposed and final regulations and other guidance issued thereunder by the Internal Revenue Service, "Section 409A") and that the Options, may be subject to Section 409A;

NOW, THEREFORE, in consideration of the above premises, the mutual covenants contained herein, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

1. Non-Statutory Stock Options. The Director understands, acknowledges, and accepts that the Options are treated, including for tax purposes, as non-statutory stock options.
  2. Vesting. Notwithstanding anything to the contrary in the Option Agreements, immediately upon the Director's termination of service as a director of the Company, all of the Options, to the extent not already exercisable, will become exercisable.
  3. Exercise Period. The parties hereto agree that the time periods during which the Director may exercise his vested Options are extended until the 10th anniversary of the Grant Date (as defined in the Option Agreements) of the respective Options.
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4. Section 409A Matters. Nothing in this Agreement or any other agreement between the parties hereto is to be construed by the Director or any other person as a guaranty or assurance of any sort by the Company that the Options were and/or continue to be exempt from the requirements of Section 409A. The Director acknowledges that it is his responsibility, in conjunction with his tax advisors, to consider the effect of this Agreement on his individual tax situation, that the Company makes no representations with regard thereto (other than notifying the Director that the Options may be subject to Section 409A as a result of this Agreement) and that the Company may comply with its obligations under Section 409A, including its reporting and disclosure obligations with respect to the Director and the Options. The Director represents and warrants that he has carefully read and fully understand the terms of this Agreement and has had the advice and assistance of counsel with respect thereto and agrees that he will indemnify and hold harmless the Company to the extent of any losses, liabilities, claims, damages, fines, taxes, penalties, costs and expenses incurred or suffered by the Company arising out of its compliance with Section 409A with respect to the Options.

5. Continued Validity of the Option Agreements. The Option Agreements will remain in full force and effect, will continue to bind the parties hereto, and will continue to govern the terms and conditions of the Options except as those provisions are modified and superseded by this Agreement. To the extent that the terms of this Agreement conflict or are inconsistent with the terms of the Option Agreements, the terms of this Agreement will govern.

6. Entire Agreement. This Agreement, the Option Agreements, and the Stock Option Plan under which the Option Agreements was issued, constitute the entire agreement between the parties hereto respecting the Options (the "Entire Agreement"). There being no representations, warranties, or commitments between the parties hereto except as set forth in the Entire Agreement, the Entire Agreement replaces and supersedes any other agreement or arrangement, oral or written, between the Director and the Company respecting the Options.

7. Governing Law. Notwithstanding anything to the contrary contained in the Option Agreements, this Agreement and the Option Agreements shall be governed by and construed in accordance with the laws of the State of Delaware without giving effect to the conflict of laws principle thereof.

IN WITNESS WHEREOF, the parties hereto have executed this document as of the date first set forth above.

REXAHN PHARMACEUTICALS,  
INC.

JOHN HOLADAY

By: /s/ Tae H. Jeong

/s/ John Holaday

Name: Ted Jeong

Title: CFO