

EXEGENICS INC

FORM 10-Q/A (Amended Quarterly Report)

Filed 8/14/2006 For Period Ending 6/30/2006

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Sector	Healthcare
Fiscal Year	12/31

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q/A

(Amendment No. 1)

(Mark One)

**QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2006.

OR

**TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _to ____.

Commission file number 000-26648

eXegenics Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

75-2402409

(I.R.S. Employer Identification No.)

1250 Pittsford-Victor Road
Building 200, Suite 280
Pittsford, New York 14534

(Address of Principal Executive Offices)

(585) 218-4368

(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a nonaccelerated filer (as defined in Rule 12b-2 of the Exchange Act). Check one:

Large accelerated filer___ Accelerated filer___ Nonaccelerated filer XX

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act):

YES NO

As of August 8, 2006, the registrant had 16,991,101 shares of common stock outstanding.

EXPLANATORY NOTE

On August 14, 2006, eXegenics, Inc. filed its Quarterly Report on Form 10-Q for its fiscal quarter ended June 30, 2006 (the "Second Quarter 2006 Form 10-Q"). This 10-Q/A is being filed to amend the Second Quarter 2006 Form 10-Q to: include correct cross references to the certifications filed as exhibits in the Table of Contents; amend the paragraph introducing the chart on page10 to refer to the second quarter of 2005; include a corrected date in the second paragraph of item 4 of Part I; and to include dates and conformed signatures in the Report and in the exhibits. Although this amendment restates the Report on Form 10-Q in its entirety, no other amendments or changes have been made to the Second Quarter 2006 Form 10-Q. This amendment speaks as of the date of the original report and does not reflect events occurring after the filing of the report or update or modify the disclosures therein in any way other than as described above.

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Exhibit 31.2	Certification by David Hostelley, Chief Financial Officer, pursuant to Rule 13a-14(a) and 15d-14(a) of the Securities and Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended June 30, 2006.	

Exhibit 32.1 Certification by John A. Paganelli, Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended June 30, 2006.

Exhibit 32.2 Certification by David Hostelley, Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended June 30, 2006.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements:

eXegenics Inc.
BALANCE SHEETS
(in thousands except share data)

ASSETS	June 30, 2006 (unaudited)	December 31, 2005
Current assets:		
Cash and cash equivalents	\$ 8,805	\$ 8,901
Prepaid expenses and other current assets	70	99
Total current assets	8,875	9,000
Total assets	<u>\$ 8,875</u>	<u>\$ 9,000</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 262	\$ 277
Total current liabilities	262	277
Total liabilities	<u>262</u>	<u>277</u>
Commitments and contingencies		
Stockholders' equity:		
Preferred stock - \$.01 par value, 10,000,000 shares authorized; 1,002,017 and 952,839 shares of Series A convertible preferred issued and outstanding (liquidation value \$2,505,000 and \$2,382,000)	10	10
Common stock - \$.01 par value, 30,000,000 shares authorized; 16,991,101 and 16,945,026 shares issued and outstanding	170	169
Additional paid-in capital	68,385	68,384
Subscriptions receivable, net of reserve	(101)	(101)
Accumulated deficit	(56,514)	(56,402)
Treasury stock, 611,200 shares of common stock, at cost	<u>(3,337)</u>	<u>(3,337)</u>
Total stockholders' equity	8,613	8,723
Total liabilities and stockholders' equity	<u>\$ 8,875</u>	<u>\$ 9,000</u>

See Notes to Financial Statements.

eXegenics Inc.
 STATEMENTS OF OPERATIONS
 (in thousands, except per share data)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2006	2005	2006	2005
	(unaudited)		(unaudited)	
Revenue:	\$ -	\$ -	\$ -	\$ -
Operating Expenses:	-	-		
General and administrative	170	484	359	815
	<u>170</u>	<u>484</u>	<u>359</u>	<u>815</u>
Operating loss	(170)	(484)	(359)	(815)
Other (income) expense, primarily interest	<u>(102)</u>	<u>(50)</u>	<u>(247)</u>	<u>(90)</u>
Loss before provision (benefit) for taxes	(68)	(434)	(112)	(725)
Provision (benefit) for taxes	-	-	-	-
Net Loss	<u>(68)</u>	<u>(434)</u>	<u>(112)</u>	<u>(725)</u>
Preferred stock dividend	<u>-</u>	<u>-</u>	<u>(238)</u>	<u>(234)</u>
Net loss attributable to to common shareholders	<u>(68)</u>	<u>(434)</u>	<u>(350)</u>	<u>(959)</u>
Net loss per share-basic and diluted	<u>(0.00)</u>	<u>(0.03)</u>	<u>(0.02)</u>	<u>(0.06)</u>
Weighted average number of shares outstanding - basic and diluted	<u>16,378</u>	<u>16,878</u>	<u>16,358</u>	<u>16,264</u>

See Notes to Financial Statements.

eXegenics Inc.
STATEMENT OF CASH FLOWS
(in thousands)

	Six Months Ended	
	June 30,	
	2006	2005
	(unaudited)	
Cash flows from operating activities:		
Net loss	\$ (112)	\$ (725)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	-	2
Reserve for Subscription Receivable	-	201
Compensation expense - Stock Options	2	-
Changes in:		
Prepays and other assets	29	(16)
Accounts payable and accrued expenses	(15)	(79)
Net cash used in operating activities	<u>(96)</u>	<u>(617)</u>
NET DECREASE IN CASH	(96)	(617)
Cash and cash equivalents at beginning of period	<u>8,901</u>	<u>8,734</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 8,805</u>	<u>\$ 8,117</u>

See Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

(1) Financial Statement Presentation

The unaudited financial statements of eXegenics Inc., a Delaware corporation (the “Company”), included herein have been prepared in accordance with the rules and regulations promulgated by the Securities and Exchange Commission and, in the opinion of management, reflect all adjustments necessary to present fairly the results of operations for the interim periods presented. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. However, management believes that the disclosures are adequate to make the information presented not misleading. These financial statements and the notes thereto should be read in conjunction with the financial statements and the notes thereto included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2005. The results for the interim periods are not necessarily indicative of the results for the full fiscal year.

(2) Cash and Cash Equivalents

The Company considers all non-restrictive, highly liquid short-term investments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents, which amount to \$8,805,000 and \$8,901,000 at June 30, 2006 and December 31, 2005, respectively, consist principally of interest-bearing cash deposits.

(3) Loss Per Common Share

Basic and diluted loss per common share is based on the net loss increased by dividends on preferred stock divided by the weighted average number of common shares outstanding during the period. No effect has been given to outstanding options, warrants or convertible preferred stock in the diluted computation, as their effect would be antidilutive.

(4) Share-Based Compensation

During the six months ended June 30, 2006, the stock option activity under our 1996 Stock Option Plan and 2000 Stock Option Plan (collectively the “Stock Option Plans”), was as follows:

	<u>Weighted Average Price</u>	<u>Number of Shares</u>	<u>Weighted Average Remaining Contractual Term (In Years)</u>
Outstanding, January 1, 2006	\$ 3.37	905,000	
Granted	0.41	40,000	
Canceled or Expired	4.31	(670,000)	
Forfeited	-	-	
Exercised	-	-	
	<u> </u>	<u> </u>	
Outstanding, June 30, 2006	<u>\$ 0.63</u>	<u>275,000</u>	<u>8.42</u>
Options exercisable as of June 30, 2006		<u>275,000</u>	<u>8.42</u>

NOTES TO FINANCIAL STATEMENTS - (Continued)

Under the Stock Option Plans, 3,975,000 shares of our Common Stock are available for issuance. Options outstanding and exercisable were granted at a stock option price, which was not less than the fair market value of our Common Stock on the date the option was granted and no option has a term in excess of ten years. Additionally, options vested and became exercisable either on the date of grant or commencing one or two years from the option grant date.

In December 2004, Financial Accounting Standards Board issued SFAS No. 123R, Share-Based Payment (“SFAS No. 123R” or the “Statement”). This Statement is a revision of SFAS No. 123, Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees (“APB No. 25”) and its related implementation guidance. On January 1, 2006, we adopted the provisions of SFAS No. 123R using the modified prospective method. SFAS No. 123R focuses primarily on accounting transactions in which an entity obtains employee or similar services in share-based payment transactions. The Statement requires entities to recognize compensation expense for awards of equity instruments to employees or employee equivalents based on the grant-date fair value of those awards (with limited exceptions). SFAS No. 123R also requires the benefits of tax deductions in excess of recognized compensation expense to be reported as financing cash flows, rather than as an operating cash flow as prescribed under the prior accounting rules. This requirement reduces net operating cash flows and increases net financing cash flows in periods after adoption. Total cash flow remains unchanged from what would have been reported under prior accounting rules.

Prior to the adoption of SFAS No. 123R, we followed the intrinsic value method in accordance with APB No. 25 to account for our employee stock options. Accordingly, no compensation expense was recognized for the issuance of stock options under any of our Stock Option Plans for periods ended prior to January 1, 2006. The adoption of SFAS No. 123R primarily resulted in a change in our method of recognizing the fair value of share-based compensation. Specifically, the adoption of SFAS No. 123R will result in our recording compensation expense for employee stock options.

The pre-tax share-based employee compensation expense recorded in the 2006 second quarter was approximately \$2,000. Such expense resulted solely from the estimated value to be recognized from the share-based payments of options granted to our board of directors. The options outstanding at December 31, 2005 did not and will not impact 2006 consolidated results of operations and financial positions since substantially all option-holders were fully vested in such options at December 31, 2005.

The fair market value of the share-based payments made in the second quarter of 2006 was estimated using Black -Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	4.9%
Expected volatility	12.8%
Weighted average expected life (in years)	5.0
Dividend yield	0%

Results for 2005 second quarter have not been restated. Had compensation expense for employee stock options granted under our Stock Option Plans been determined based on fair value at the grant date consistent with SFAS No. 123, our net income and earnings per share for the 2005 second quarter would have been pro forma amounts indicated below:

NOTES TO FINANCIAL STATEMENTS - (Continued)

	Three Months Ended June 30, 2005	Six Months Ended June 30, 2005
	<u> </u>	<u> </u>
Net loss attributable to common stockholders as reported	\$ (434)	\$ (959)
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(1)	(7)
Pro forma net loss	<u>\$ (435)</u>	<u>\$ (966)</u>
Earnings per share:		
Basic and diluted-as reported	<u>\$ (0.03)</u>	<u>\$ (0.06)</u>
Basic-pro forma	<u>\$ (0.03)</u>	<u>\$ (0.06)</u>

(5) Dividends

During the six month periods ended June 30, 2006 and June 30, 2005, 10% preferred stock dividends were declared equal to \$238,000 and \$234,000 respectively.

(7) Subscriptions Receivable

In May, 2001, the Company entered into a limited recourse note and pledge agreement with a former President and Chief Executive Officer (Dr. Ronald Goode) in connection with a stock subscription arrangement. The amount of this note is \$300,000 plus 4.71% interest paid on a semi-annual basis. Dr. Goode failed to make the semi-annual interest payment since May 2005 and principal due May 2006. The Company is in discussions with Dr. Goode relative to these past payments and the status of the note. During the second quarter period ended June 30, 2005, the Company created a reserve and the subscription receivable balance on June 30, 2006 is presented net, equal to the value of the underlying collateral.

NOTES TO FINANCIAL STATEMENTS - (Continued)

(8) Recently Issued Accounting Standards

In March 2005, the FASB issued FASB Interpretation No. 47, "Accounting for Conditional Retirement Obligations, an interpretation of FASB Statement No. 143" ("FIN 47"), which requires an entity to recognize a liability for the fair value of a conditional asset retirement obligation when incurred if the liabilities fair value can be reasonably estimated. FIN 47 is effective no later than the end of fiscal years ending after December 15, 2005. The Company does not expect the adoption of this Interpretation to have a material impact on its consolidated financial statements.

In May 2005, the FASB issued Statement of Financial Accounting Standards No. 154, "Accounting Changes and Error Corrections-a replacement of APB Opinion No. 20 and FASB Statement No. 3" (SFAS 154"). This Statement replaces APB Opinion No. 20, "Accounting Changes," and FASB Statement No. 3, "Reporting Accounting Changes in Interim Financial Statements." SFAS 154 requires retrospective application to prior periods' financial statements for changes in accounting principle, unless it is impractical to determine either the period-specific effects or the cumulative effect of the change. SFAS 154 also requires that a change in depreciation, amortization, or depletion method for long, non-financial assets be accounted for as a change in accounting estimate effected by a change in accounting principle. SFAS is effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. The Company believes that adoption of the provisions of SFAS 154 will not have a material effect on the Company's consolidated financial statements.

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

OVERVIEW

In this section, "Management's Discussion and Analysis of Financial Condition and Results of Operations," references to "we," "us," "our," and "ours" refer to eXegenics Inc.

The following discussion should be read in conjunction with, and is qualified in its entirety by, the Financial Statements and the Notes thereto included in this report. This report contains certain forward-looking statements as that term is defined in the Private Securities Litigation Reform of 1995. Such statements are based on management's current expectations and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. When used in this report the words "anticipate," "believe," "estimate," "expect" and similar expressions as they relate to our management or us are intended to identify such forward-looking statements. Our actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements. Historical operating results are not necessarily indicative of the trends in operating results for any future period.

eXegenics , Inc., formerly known as Cytoclonal Pharmaceuticals Inc. (the "Company"), was previously involved in the research, creation, and development of drugs for the treatment and/or prevention of cancer and infectious diseases. We have historically operated as a drug discovery company, exploiting new enabling technologies to advance and shorten the new drug development cycle. We completed the termination of all research activities. All scientific staff and administrative positions were eliminated and all of our research and development activities were terminated.

NOTES TO FINANCIAL STATEMENTS - (Continued)

Our Board and management are focused on redeploying the remaining residual assets of the Company. The Board has established a committee to study strategic direction and identify potential business opportunities and the Company's objective continues to be to redeploy its assets and actively pursue new business.

Our discussion and analysis of our financial condition and results of operations are based upon our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates, including those related to investments, intangible assets, income taxes, contingencies and litigation. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe the following critical accounting policies affect our more significant judgments and estimates used in the preparation of our financial statements.

The Company considers all non-restrictive, highly liquid short-term investments purchased with an original maturity of three months or less to be cash equivalents. The Company periodically evaluates the collectability of the subscription receivable and adjusts an allowance sufficient to ensure that the net balance is equal to the value for the underlying collateral. We record a valuation allowance to reduce our deferred tax asset to the amount that is more likely than not to be realized. While we have considered future taxable income and ongoing prudent and feasible tax planning strategies in assessing the need for the valuation allowance, in the event we were to determine that we would be able to realize deferred tax assets in the future in excess of its net recorded amount, an adjustment to the net deferred tax asset would increase income in the period such determination was made. Likewise, should we determine that we would not be able to realize all or part of our net deferred tax asset in the future, an adjustment to the net deferred tax asset would be charged to income in the period such determination was made.

RESULTS OF OPERATIONS

FOR THREE MONTHS ENDED JUNE 30, 2006 AND 2005

Revenue

There were no revenues for the three months ended June 30, 2006 and June 30, 2005.

General and Administrative Expenses

We incurred general and administrative expenses of \$170,000 and \$484,000 for the three months ended June 30, 2006 and 2005, respectively, a decrease of \$314,000 or 65%. The decrease is attributable to the following: a \$176,000 decrease in officer salaries, a \$30,000 decrease in director and officer insurance premium expense, a \$9,000 increase in investor relations expenses, a \$14,000 increase in professional consulting fees, a \$39,000 increase in legal and accounting expense, a \$208,000 decrease in miscellaneous expense for the allowance recorded for Dr. Goode subscription receivable, a \$8,000 increase in Board of Director compensation, a \$ 30,000 increase in taxes paid from a overpayment in 2005.

NOTES TO FINANCIAL STATEMENTS - (Continued)

Interest Income

Interest income was \$102,000 and \$50,000 for the three months ended June 30, 2006 and 2005, respectively. The increase was due to increased interest rates.

Net Loss

We incurred a net loss attributable to common shareholders of \$68,000 and \$434,000 for the three months ended June 30, 2006 and 2005, respectively. Net loss per common share was \$0.00 and \$0.03 for the three months ending June 30, 2006 and 2005, respectively.

FOR SIX MONTHS ENDED JUNE 30, 2006 AND 2005

Revenue

There were no revenues for the six months ended June 30, 2006 and June 30, 2005.

General and Administrative Expenses

We incurred general and administrative expenses of \$359,000 and \$815,000 for the six months ended June 30, 2006 and 2005, respectively, a decrease of \$456,000 or 56%. The decrease is attributable to the following: a \$44,000 decrease in leased equipment, a \$61,000 decrease in director and officer insurance premium expense, a \$43,000 increase in professional consulting fees, a \$23,000 decrease in business travel related expenses, a \$55,000 decrease in legal and accounting expenses, a \$266,000 decrease in compensation and overhead expenses, a \$6,000 decrease in taxes paid, a \$72,000 decrease in miscellaneous expense, a \$23,000 increase in board of director compensation and \$5,000 increase in board of directors travel expenses.

Interest Income

Interest income was \$247,000 and \$90,000 for the six months ended June 30, 2006 and 2005, respectively. The increase was due to increased interest rates.

Net Loss

We incurred a net loss attributable to common shareholders of \$350,000 and \$959,000 for the six months ended June 30, 2006 and 2005, respectively. Net loss per common share was \$0.02 and \$0.06 for the six months ending June 30, 2006 and 2005, respectively.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2006, we had cash and cash equivalents of approximately \$8,805,000. During the three months ended June 30, 2006, net cash used in operating activities was \$46,000.

NOTES TO FINANCIAL STATEMENTS - (Continued)

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our exposure to financial market risk, including changes in interest rates, relates primarily to our marketable security investments. We do not believe that a 100 basis point increase or decrease in interest rates would significantly impact our business. We do not have any derivative instruments. We operate only in the United States. We do not have any material exposure to changes in foreign currency exchange rates.

Item 4. Controls and Procedures

An evaluation was carried out by the Company's Interim Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's "Disclosure Controls and Procedures". They have concluded that, given our limited operation, our Disclosure Controls and Procedures were effective. As such term is used above, the Company's Controls and Procedures are controls and other procedures of the Company that are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure Controls and Procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in such reports is accumulated and communicated to the Company's management, as appropriate to allow timely decisions regarding required disclosure.

Further, there were no significant changes in the internal controls over financial reporting (as defined in Rule 13a-15 (f) under the Securities Exchange Act of 1934) during the quarter ended June 30, 2006 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

On October 5, 2005, in the matter brought by Abdel Hakim Labidi (one of our former employees) against the Company, a jury ruled in favor of Dr. Labidi determining that the Company converted certain biological research materials owned by Dr. Labidi, and the Company committed theft of biological materials owned by Dr. Labidi. The jury awarded Dr. Labidi a total of \$600,000. Dr. Labidi has moved the court to award attorney fees and interest on the jury's award. We await a decision from the Court on this motion. The Company is reviewing this matter to determine the validity of appealing the decision of the jury. The final amount due by the Company to Dr. Labidi under such judgment is likely to be between \$250,000 and \$750,000, however the Company has recorded a provision of \$250,000 in the financial statements in December 31, 2005.

Item 1A. Risk Factors

There are no material changes from the risk factors previously disclosed in the Company's Form 10-K for the year ended December 31, 2005 in response to Item 1A. to Part 1 of Form 10-K.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Item 5. Other Information

None.

Item 6. Exhibits.

Exhibit 31.1 Certification by John Paganelli, Chief Executive Officer, pursuant to Rule 13a-14(a) and 15d-14(a) of the Securities and Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended June 30, 2006.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has caused this Report on Form 10-Q/A to be signed on its behalf by the undersigned thereunto duly authorized.

eXegenics Inc.

Date: August 14, 2006

By: /s/ John A. Paganelli

John A. Paganelli
Chairman of the Board,
Chief Executive Officer (Interim)

/s/ David Hostelley

David Hostelley
Chief Financial Officer

EXHIBIT INDEX

<u>EXHIBIT NUMBER</u>	<u>DESCRIPTION</u>
Exhibit 31.1	Certification by John Paganelli, Chief Executive Officer, pursuant to Rule 13a-14(a) and 15d-14(a) of the Securities and Exchange Act of 1934 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for the quarterly period ended June 30, 2006.
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EXEGENICS INC.**CERTIFICATION PURSUANT TO
RULE 13A-14 OF THE SECURITIES EXCHANGE ACT OF 1934
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, John A. Paganelli, certify that:

1. I have reviewed this quarterly report on Form 10-Q of eXegenics Inc.;
2. Based on my knowledge, this quarterly 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;
4. The Registrant's other certifying officer and I am 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 my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my 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 that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. I have disclosed, based on my most recent evaluation of material control over financial reporting, to the registrant's auditors and the audit committee of 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: August 13, 2006

/s/ John A. Paganelli

John A. Paganelli
Chairman of the Board,
Chief Executive Officer (Interim)

EXEGENICS INC.**CERTIFICATION PURSUANT TO
RULE 13A-14 OF THE SECURITIES EXCHANGE ACT OF 1934
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, David Hostelley, certify that:

1. I have reviewed this quarterly report on Form 10-Q of eXegenics Inc.;
2. Based on my knowledge, this quarterly 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;
4. The Registrant's other certifying officer and I am 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 my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my 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 that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. I have disclosed, based on my most recent evaluation of material control over financial reporting, to the registrant's auditors and the audit committee of 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: August 13, 2006

/s/ David Hostelley

David Hostelley
Chief Financial Officer

**Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant section 906 of the Sarbanes-Oxley Act of 2002, I, John A. Paganelli, Chief Executive Officer of eXegenics Inc. (the "Company"), hereby certify that:

The Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2006 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 13, 2006

/s/ John A. Paganelli

John A. Paganelli
Chairman of the Board,
Chief Executive Officer (Interim)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)**

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant section 906 of the Sarbanes-Oxley Act of 2002, I, David Hostalley, Chief Financial Officer of eXegenics Inc. (the "Company"), hereby certify that:

The Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2006 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 13, 2006

/s/ David Hostalley

David Hostalley
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.