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SAMARITAN PHARMACEUTICALS INC
Form DEF 14A
April 29, 2004

SCHEDULE 14A(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT SCHEDULE 14A INFORMATION
Proxy Statement Pursuant To Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant [X]
Filed by a Party other than the Registrant []

Check the appropriate box:

- [] Preliminary proxy statement
 [X] Definitive proxy statement
 [] Definitive additional materials
 [] Soliciting material under Rule 14a-12
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Samaritan Pharmaceuticals Inc.

(Name of Registrant as Specified in Charter)

(Name of Person(s) Filing Proxy Statement, if Other than the Registrant)

Payment of filing fee (Check the appropriate box):

- [X] No fee required.
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- (1) Amount Previously Paid:
(2) Form, Schedule or Registration Statement No.:
(3) Filing Party:
(4) Date Filed:

Samaritan Pharmaceuticals, Inc.
101 Convention Center Drive, Suite 310
Las Vegas, Nevada 89109

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS TO BE HELD JUNE 18, 2004

The Annual Meeting of Stockholders of Samaritan Pharmaceuticals Inc., a Nevada corporation (the "Company"), will be held on Friday, June 18th, 2004 at 10:00 a.m., local time, at the Stirling Club, 2827 Paradise Road, Las Vegas, NV, for the following purposes:

1. To elect three directors to serve on the Company's board of directors until their successors are elected and duly qualified;

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2. To consider, approve and ratify the appointment of Sherb & Co., LLP, as our independent auditors for the fiscal year ending December 31, 2004; and

3. To transact such other business as may properly come before the meeting or any adjournment or postponement thereof.

The foregoing matters are described in more detail in the enclosed proxy statement. The board of directors has fixed the close of business on April 23, 2004, as the record date for the determination of the stockholders entitled to notice of, and to vote at, the Annual Meeting or any postponement or adjournment thereof. Only those stockholders of record of the Company as of the close of business on that date will be entitled to vote at the Annual Meeting or any postponement or adjournment thereof.

All stockholders entitled to vote are cordially invited to attend the Annual Meeting in person. Whether or not you plan to attend, please sign and return the enclosed proxy as promptly as possible in the envelope enclosed for your convenience. Should you receive more than one proxy because your shares are registered in different names and addresses, each proxy should be signed and returned to ensure that all your shares will be voted. You may revoke your proxy at any time prior to the Annual Meeting. If you attend the Annual Meeting and vote by ballot, your proxy will be revoked automatically and only your vote at the Annual Meeting will be counted.

By Order of the Board of Directors,

/s/ Janet Greeson, Ph.D.

Janet Greeson, Ph.D.Chairman of the Board
Chief Executive Officer

Las Vegas, Nevada
April 24, 2004

YOUR VOTE IS VERY IMPORTANT, REGARDLESS OF THE NUMBER OF SHARES YOU OWN. PLEASE READ THE ATTACHED PROXY STATEMENT CAREFULLY, AND COMPLETE, SIGN AND DATE THE ENCLOSED PROXY CARD AS PROMPTLY AS POSSIBLE AND RETURN IT IN THE ENCLOSED ENVELOPE.

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Samaritan Pharmaceuticals Inc.
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PROXY STATEMENT

Your vote at the Annual Meeting is important to us. Please vote your shares of common stock by completing the enclosed proxy card and returning it to us in the enclosed envelope. This proxy statement has information about the Annual Meeting and was prepared by our management for the Board of Directors. This proxy statement and the accompanying proxy card are first being mailed to you on or about May 1, 2004.

GENERAL INFORMATION ABOUT VOTING

Who can vote?

You can vote your shares of common stock if our records show that you owned the shares on April 23, 2004. A total of One Hundred Twenty-Three Million, One Hundred Twenty-Seven Thousand, Two Hundred Four shares of common stock can vote at the Annual Meeting. You get one vote for each share of common stock. The enclosed proxy card shows the number of shares you can vote.

How do I vote by proxy?

Follow the instructions on the enclosed proxy card to vote on each proposal to be considered at the Annual Meeting. Sign and date the proxy card and mail it back to us in the enclosed envelope. The proxy holders named on the proxy card will vote your shares as you instruct. If you sign and return the proxy card but do not vote on a proposal, the proxy holders will vote for you on that proposal. Unless you instruct otherwise, the proxy holders will vote for each of the director nominees and for each of the other proposals to be considered at the meeting.

What if other matters come up at the Annual Meeting?

The matters described in this proxy statement are the only matters we know will be voted on at the Annual Meeting. If other matters are properly presented at the meeting, the proxy holders will vote your shares as they see fit.

Can I change my vote after I return my proxy card?

Yes. At any time before the vote on a proposal, you can change your vote either by giving our Secretary a written notice revoking your proxy card or by signing, dating, and returning to us a new proxy card. We will honor the proxy card with the latest date.

Can I vote in person at the Annual Meeting rather than by completing the proxy card?

Although we encourage you to complete and return the proxy card to ensure that your vote is counted, you can attend the Annual Meeting and vote your shares in person.

What do I do if my shares are held in "street name"?

If your shares are held in the name of your broker, a bank, or other nominee, that party should give you instructions for voting your shares.

How are votes counted?

We will hold the Annual Meeting if holders of a majority of the shares of common stock entitled to vote either sign and return their proxy cards or attend the meeting. If you sign and return your proxy card, your shares will be counted to determine whether we have a quorum even if you abstain or fail to vote on any of the proposals listed on the proxy card.

If your shares are held in the name of a nominee, and you do not tell the nominee by June 1, 2004 how to vote your shares (so-called "broker non-votes"),

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the nominee can vote them as it sees fit only on matters that are determined to be routine, and not on any other proposal. Broker non-votes will be counted as present to determine if a quorum exists but will not be counted as present and entitled to vote on any non-routine proposal.

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Who pays for this proxy solicitation?

We do. The Company will bear the entire cost of solicitation, including the preparation, assembly, printing and mailing of this proxy statement, the proxy and any additional solicitation materials furnished to stockholders. Copies of solicitation materials will be furnished to brokerage houses, fiduciaries, and custodians holding shares in their names that are beneficially owned by others so that they may forward this solicitation material to such beneficial owners. In addition, the Company may reimburse such persons for their costs in forwarding the solicitation materials to such beneficial owners. In addition to sending you these materials, some of our employees may contact you by telephone, by mail, or in person. None of these employees will receive any extra compensation for doing this. The Company has also engaged Securities Transfer Corp. ("STC") to provide routine advice and services for proxy solicitation. STC will receive a fee of approximately \$5,000 for such advice and services which will be paid by the Company.

Stockholder Proposals to be presented at next annual meeting.

In order for stockholder business to be included in the Company's proxy statement for a meeting or properly brought before that meeting by a stockholder, the stockholder must have given timely notice in writing to the Secretary of the Company. A stockholder proposal for the 2005 Annual Meeting must be received at the Company's principal executive offices at 101 Convention Center Drive, Suite 301, Las Vegas, NV 89109 no later than February 28, 2005 to be considered timely. Inclusion of stockholder proposals in the Company's proxy statement for a meeting also requires satisfaction of certain conditions established by the Securities and Exchange Commission.

PROPOSAL NO. 1: ELECTION OF DIRECTORS

General

The Company's Bylaws provide that our Board of Directors shall consist of nine (9) directors that shall be divided into three classes. A single class of directors shall be elected each year at the annual meeting, and each director shall be elected to serve for a term ending on the date of the third annual meeting of stockholders after his election and until his successor has been elected and duly qualified, subject to any transition periods.

Three directors in total are to be elected at this Annual Meeting. These three directors shall be elected to Class I and shall be elected to serve until the 2007 Annual Meeting. Each director elected shall serve until his successor is elected and duly qualified. The board has nominated three members to Class I, and in the event any nominee is unable or unwilling to serve as a nominee, the proxies may be voted for any substitute nominee designated by the present board of directors or the proxy holders to fill such vacancy. Our board of directors has no reason to believe that the persons named will be unable or unwilling to serve as nominees or as directors if elected.

Nominees as Class I Directors -- Terms Expire 2007

Dr. Janet Greeson, 59.
Director since 1997.
Chairman of the Board, CEO, President and Co-Founder.

Dr. Greeson is a highly experienced entrepreneur with over two decades of

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experience in healthcare. She has spearheaded the majority of the financing for Samaritan since its inception and led the efforts that resulted in the recent Georgetown University collaboration. Dr. Greeson has applied for numerous patents in concert with the Georgetown scientists, under the Samaritan-Georgetown University collaboration. Dr. Greeson's strong leadership and team building skills, business acumen, negotiation skills and knowledge of public markets, drug development, government grants, intellectual property, and regulatory and legal affairs, has been key to Samaritan's growth.

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In the past, Dr. Greeson, a seasoned healthcare professional, focused on emerging growth, mergers and acquisitions. She is a renowned public speaker and the best selling author of "It's Not What You're Eating, It's What's Eating You." Her past guest appearances on numerous radio and TV Talk shows has positioned her to open doors to TV Producers to tell the Samaritan story in a concise and professional manner. Dr. Greeson developed "Psychiatric Hospital Programs" for the US Navy and went on to develop, grow and sell her privately held "Psychiatric Hospital Units" to Columbia/HCA (NYSE:HCA).

Dr. Greeson has an eclectic past, once working with Mother Theresa, and was privileged to be the U.S. Congressional Nominee for the State of Nevada in 1994, winning the primary without spending a dollar to campaign. Dr. Greeson currently serves on the Board of Restaurant Connections International, Inc., a company with Pizza Huts in Brazil and on the Board of The CEO Council, an organization that provides a common voice and platform for officers and directors of public companies. Dr. Greeson is also a founder of the "Samaritan Innovative Science Foundation", dedicated to provide free HIV drugs to children of the world; a BioFutureBus to further science with children; and to develop often overlooked orphan drugs for the benefit of the world community.

Welter "Budd" Holden, 73.

Independent Director since 1997.

Member of Compensation Committee and Co-Founder.

Mr. Holden assisted the Company in recruiting and networking patients for clinical trials. He is a well known designer who has consulted with the rich and famous throughout his whole life. He is a renowned networker and has presented Samaritan to many of his past clients and venture capital groups, including principals of pharmaceutical companies. Although for the past five years Mr. Holden has been an independent consultant providing architectural and interior design advice, he spends the majority of his time trying to further Samaritan. Mr. Holden is the Chairman of our Business Advisory Board and acts as liaison to the "Samaritan Innovative Science Foundation". He received his BA in architectural and interior design from the Pratt Institute.

Dr. Erasto R. C. Saldi, 44.

Independent Director since 2003.

Currently, Dr. Saldi is acquiring and setup a network of primary clinics in Las Vegas with the intent of establishing these clinics as research centers for clinical trials. From 1999 to 2004, Dr. Saldi was the Medical Director of Fremont Medical Clinic, Desert Lane Care Center, and Cheyenne Care Center, where he improved physician compliance and formulated patient care protocols. From 1996 to 1997, he was Chief Resident, Internal Medicine and from 1997 to 1998, he served as Assistant Clinical professor, Internal Medicine at the University of Nevada, School of Medicine, Las Vegas, NV. Dr. Saldi has also has extensive experience as an Internist, Principal Investigator and manager of clinical research trials.

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Class II Directors -- Terms Expire 2006

Mr. Eugene Boyle, 38.
Director since 2000.
Chief Financial Officer, Chief Operations Officer and Co-Founder.

Mr. Boyle attended Notre Dame and has received a BSE from Tulane University. He is a veteran of the US Navy serving as a Lt. during the Gulf War. Upon discharge he then returned to graduate school earning his MBA in Entrepreneurship from Babson College, Boston, MA and his Juris Doctor from Concord Law School, Los Angeles, CA. He devotes his time to business development aspects of Samaritan, SEC filings, patent prosecution and numerous other legal and business affairs.

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Mr. Boyle is also a founder of the "Samaritan Innovative Science Foundation", dedicated to provide free HIV drugs to children of the world; a BioFutureBus to further science with children; and to develop often overlooked orphan drugs for the benefit of the world community. In the past, Mr. Boyle was employed by Columbia/HCA (NYSE:HCA) as its Chief Operations Officer for the southeast region and also assisted with mergers and acquisitions of numerous hospitals. He also has served on the Advisory Board of Nevada Gold and Casinos (AMEX:UWN). Mr. Boyle is a Chartered Financial Analyst candidate, has passed the series 7 and 63 securities brokerage registered representative exams, although he is not a practicing representative.

Mr. Brian Sullivan, 51.
Independent Director since 2001.
Member of Compensation Committee and Member of the Audit Committee.

Mr. Sullivan is totally committed and passionate about Samaritan. He facilitates all of the public relations strategy for the Company and has been instrumental in using his acumen for relationships to present the Company to many high net worth private investors. He has been an incredible asset to the Company aligning us with HIV activist groups. In the past, from 1982 to 1996, Mr. Sullivan served as Director of Pratesi of Beverly Hills, where he was responsible for negotiating a relationship with Neiman-Marcus, starting new franchises, and opening new stores. From 1996 through 1997, Mr. Sullivan was Director of Antiques at Charles Pollack, in Los Angeles, increasing sales by over \$1M in one year. Mr. Sullivan has a BA in Psychology and English from the University of Massachusetts at Amherst, and a Masters in Victorian Philosophy from the University of Hall in England.

Ms. Cynthia C. Thompson, 44.
Independent Director since 1999.
Chairman of the Compensation Committee and Member of the Audit Committee.

Cynthia Thompson is President/CEO and founder of Quest Entertainment, Inc. She leads Quest's efforts in providing technology solutions to the gaming industry focusing primarily on slot machines and table game innovations. She began her extensive financial background in corporate finance and institutional sales at leading Wall Street investment firms. Ms. Thompson also serves on the board of Restaurant Connections International, Inc. and is a founder and financial advisor to Houston-based Nevada Gold & Casinos, Inc. (AMEX:UWN).

Class III Directors -- Terms Expire 2005

Mr. Doug Bessert, 46.
Director since 2001.

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Mr. Bessert has an enormous ability to raise private capital with an extensive network of contacts. Mr. Bessert has over 20 years of financial and investor relationship experience, with an emphasis in small entrepreneurial companies. In the past, he served as a Branch Manager at a stock brokerage firm in charge of nine other brokers, handling all compliance and investor problems for the office. Mr. Bessert was the Founder and CFO of Thorofare Resources Inc., a regional Oil and Gas company with production and employees in 8 states. He also was a Financial Consultant that managed portfolios for over 230 clients managing in excess of \$43 million in assets. During his tenure as a financial consultant, he was heavily involved in leveraged buyouts, raising private capital, and acquisitions of many entities. Mr. Bessert received his BS in Marketing from the University of Wyoming.

Mr. H. Thomas Winn, 63.
Lead Independent Director since 1999.
Chairman of the Audit Committee.

Mr. Winn serves as the Chairman, CEO, President and a Director of Nevada Gold & Casinos, Inc., (AMEX:UWN) a developer of gaming properties, since January 1994. He also serves as Chairman and President of Aminex Capital Corporation, a consulting and venture capital firm since 1983.

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Dr. Vassilios Papadopoulos, D.Pharm., Ph.D., 43
Director since 2001.
Chief Scientific Officer.

Dr. Papadopoulos is Professor and Chair at the Department of Biochemistry & Molecular Biology at Georgetown University Medical Center. Dr. Papadopoulos and his group of scientists originally assisted Samaritan with work on using Procaine (HCL) to control stress-induced cortisol production by the human adrenal cells. Dr. Papadopoulos has over twenty years of experience and over 140 peer review article publications in the Biopharmaceutical field and numerous patents in the field of steroid biosynthesis, Alzheimer's disease and cancer.

No Director or executive officer of the Company has any family relationships with any other director or executive officer of the Company, except that Mr. Boyle is the son of Dr. Greeson. The Company has formed, by determination of the Board of Directors, an Audit Committee, with Lead Independent Director Winn as Chairman, who is independent and a financial expert as used in Item 7(d)(3)(iv) of Schedule 14 A (240.14a-101 of this chapter) under the Exchange Act. The Company has also formed a Compensation Committee, with Independent Director Thompson, as Chairman; a Business Advisory Board, with Independent Director Holden, as Chairman; and a Scientific Advisory Board, with Director Papadopoulos, as Chairman.

Required Vote

Unless otherwise instructed, the proxy holders will vote the proxies received by them FOR the nominees named above. The six candidates receiving the highest number of affirmative votes of the shares represented and voting on this particular matter at the Annual Meeting will be elected directors of the Company, to serve their respective terms and until their successors have been elected and duly qualified.

Recommendation of the board of directors

Our board of directors recommends that the stockholders vote "FOR" the election of the nominees above.

EXECUTIVE COMPENSATION

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The Compensation Committee (CC) of the Board of Directors administers our executive compensation program. Each member of the CC is a non-employee Independent Director. The CC is responsible for establishing salaries and administering the incentive programs for our Chief Executive Officer, and other executive officers.

Compensation Philosophy

The Compensation Committee has designed Samaritan's compensation program based on the philosophy that all of our executives are important to our success, with our executive officers setting the direction of our business and having overall responsibility for our results. Like other pharmaceuticals companies, we operate in a highly competitive and difficult economic environment. Accordingly, the CC has structured Samaritan's compensation to accomplish several goals: 1) attract and retain very talented individuals, 2) reward creativity in maximizing business opportunities, and 3) enhance shareholder value by achieving our short-term and long-term business objectives.

Base Salary

The CC considers the peer data discussed above as well as individual performance when approving base salaries for executive officers. The CC evaluates individual performance based on the achievement of corporate or divisional operating goals and subjective criteria, as well as the Chief Executive Officer's evaluation of the other executive officers. No specific weight is assigned to any particular factor. Dr. Greeson, Mr. Boyle, and Dr. Papadopoulos each have employment agreements negotiated on an arm's-length basis with the CC that provide a minimum annual base salary. In setting base salary, the Board considered the contributions of each executive to our company, compensation paid by peer companies and outside compensation reports.

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Stock Options

The short and long-term compensation program includes stock options granted under the Stock Incentive Plan as well as non-qualified stock options. The Option Plan is designed to reward executives for achieving long-term financial performance goals over a three-year to ten-year period, provide retention incentives for executives, and tie a significant portion of an executive's total compensation to our long-term performance. Stock options for our executive officers and key associates are part of our incentive program and link the enhancement of shareholder value directly to their total compensation. The CC determines the number of stock options granted based upon several factors: 1) level of responsibility, 2) expected contribution towards our performance, and 3) total compensation strategy for mix of base salary, short-term incentives and long-term incentives. The following tables and notes present information concerning compensation to the Company's Chief Executive Officer and to the Company's most-highly compensated executive officers other than the Company's Chief Executive Officer who were serving at December 31, 2003

Summary Compensation Table

| Name and Principle Position | Year | Annual Compensation | | Long Term Compensation | |
|---|------|---------------------|------------------------|------------------------------------|-------------------------------------|
| | | Salary (\$) | Accrual Salary (\$) | Restricted Stock Awards (\$) | Securities Underlying Options |
| Janet Greeson, Chairman, CEO, President (1) | 2003 | \$ 264,600 | \$ 19,600 | \$ 169,058 | 2,582,238 |
| | 2002 | \$ 264,983 | \$ -0- | \$ 131,917 | 1,532,210 |
| | 2001 | \$ 101,600 | \$ -0- | \$ 276,400 | 1,532,210 |

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| | | | | | |
|---------------|------|------------|-----------|------------|-----------|
| Eugene Boyle | 2003 | \$ 140,600 | \$ 15,600 | \$ 121,630 | 1,291,119 |
| Eugene Boyle | 2002 | \$ 97,533 | \$ -0- | \$ 167,067 | 766,105 |
| CFO, COO (1) | 2001 | \$ 62,072 | \$ -0- | \$ 189,928 | 766,105 |
| Doug Bessert, | 2003 | \$ 75,000 | \$ -0- | \$ 119,315 | 702,391 |
| Doug Bessert, | 2002 | \$ 87,000 | \$ -0- | \$ 98,062 | 444,921 |
| VP, (1) (2) | 2001 | \$ 20,000 | \$ -0- | \$ 85,000 | 383,052 |

(1) The Company engaged the executive pursuant to a written agreement between Samaritan Pharmaceuticals, Inc., Doug Bessert, Eugene Boyle and Dr. Janet Greeson filed as an exhibit to 10-QSB, including any amendments, on August 14, 2002 and incorporated herein by reference.

(2) In February of 2004, Mr. Doug Bessert, left the company for personal reasons but remains a Member of the Board of Directors. Under his agreement, a voluntary resignation entitles him to retain all benefits which vested prior to his voluntary resignation in accordance with the rules and procedures then in effect with respect to vesting. Otherwise, with the exception of the any covenants, which by their terms survive termination, Mr. Bessert and Samaritan shall thereafter have no further obligations under his employment agreement.

Option Grants in Last Fiscal Year

| Name | Number of Securities Underlying Options Granted (#) (1) | % of Total Options Granted to Employees in Fiscal Year | Exercise Base Price (\$/Sh) | Expiration Date |
|----------------------|---|--|-----------------------------|-----------------|
| Janet Greeson (1) | 2,582,238 | 50.5% | \$0.15 | 01/05/2013 |
| Eugene Boyle (1) | 1,291,119 | 26.7% | \$0.15 | 01/05/2013 |
| Doug Bessert (1) (2) | 702,391 | 14.5% | \$0.13 | 04/02/2013 |

(1) The company engaged the executive pursuant to a written agreement between Samaritan Pharmaceuticals, Inc., Doug Bessert, Eugene Boyle and Dr. Janet Greeson filed as an exhibit to 10-QSB, including any amendments, on August 14, 2002 and incorporated herein by reference.

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(2) In February of 2004, Mr. Doug Bessert, left the company for personal reasons, but remains a member of the Board of Directors. Under his agreement, Mr. Bessert may, but only within thirty (30) days after the date of his voluntary resignation, exercise his options to the extent that he was entitled to exercise it at the date of such resignation. To the extent that he was not entitled to exercise his options at the date of such resignation, or if he does not exercise his option within the time specified herein, his options shall terminate.

Aggregate Option Exercises in Last Fiscal Year and FY-End Option Values

| Name | Shares Acquired on Exercised (#) (1) | Value Realized (\$) (2) | Number of Securities Underlying Unexercised Options at FY-End (\$) | Number of Unexercised In the Money Options at FY-End(#) |
|-------|--------------------------------------|-------------------------|--|---|
| ----- | ----- | ----- | ----- | ----- |

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| | | | | |
|---------------|-----------|-----|-----------|---------|
| Janet Greeson | 5,646,658 | -0- | 7,426,342 | 495,703 |
| Eugene Boyle | 2,823,329 | -0- | 3,268,250 | 207,808 |
| Doug Bessert | 971,714 | -0- | 1,580,364 | 141,192 |

- (1) These options were exercised and reloaded pursuant to terms stated in the options agreement.
- (2) The Company engaged the executive pursuant to a written agreement which allow the executive to defer compensation into a trust agreement described below.
- (3) Value of unexercised in-the-money options is calculated based on the fair market value of the underlying securities, minus the exercise price, and assumes sale of the underlying securities on December 31, 2003, the last trading day for 2003, at a price of .37 per share, the fair market value of the Company's Common Stock on such date.

401(k) Plan

We adopted a tax-qualified employee savings and retirement plan, or 401(k) plan, covering our full-time employees located in the United States. The 401(k) plan is intended to qualify under Section 401(k) of the Internal Revenue Code of 1986, as amended, so that contributions to the 401(k) plan by employees, and the investment earnings thereon, are not taxable to employees until withdrawn from the 401(k) plan. Under the 401(k) plan, employees may elect to reduce their current compensation up to the statutorily prescribed annual limit and have the amount of such contribution contributed to the 401(k) plan. The 401(k) plan does permit additional matching contributions to the 401(k) plan by us on behalf of participants in the 401(k).

Employment Agreements

The Company engaged the executive pursuant to a written agreement between Samaritan Pharmaceuticals, Inc., Doug Bessert, Eugene Boyle and Dr. Janet Greeson filed as an exhibit to 10-QSB, including any amendments, on August 14, 2002 and incorporated herein by reference. In each agreement, the executive is entitled to base salary and stock options based on a formula not to be less 250,000 options per year. The executive is also entitled to convert his salary into shares of the Company based on the formula for the Company's security. See "Executive Compensation" for amounts of base salary and stock options for each executive. The executive is also allowed to participate in all of Samaritan Pharmaceutical's benefit programs, if the Company offers the programs to any other employee.

If executive terminates by reason of death, disability, incapacity or termination by Samaritan Pharmaceuticals other than for cause, the executive will be entitled to continuation of base salary and health and similar benefits for defined periods, payment of stock options and deferred compensation awards. In each case, the executive agreed to a non-compete clause for the term of his employment.

In the event of a change of control, the executive would also vest in his or her options. The executive would also no longer be subject to non-competition undertakings. If a change of control were followed by termination of employment resulting from a change of control termination, in lieu of the severance benefits described above, the executive would be entitled to receive a payment equal to three times base salary and yearly options. For up to three years following termination Samaritan Pharmaceuticals would also be obligated to provide continued health and other insurance and disability benefits. We would also be obligated to pay all legal fees and expenses reasonably incurred by the executive in seeking enforcement of contractual rights following a change of control. If change of control payments and benefits to any of Dr. Greeson,

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and/or Mr. Boyle were sufficient to result in an excise tax under the so-called "golden parachute" provisions of the Code, we would be obligated to pay the executive a tax gross-up payment. All three executives are also awarded options based on increases in market capitalization starting with the market capitalization of \$12,500,000. In addition to the salary and other benefits described above, Mr. Bessert was awarded 100,000 options at \$1.00 on restricted stock that were vested as the signing of his employment contract.

Dr. Papadopoulos has an engagement agreement with Samaritan Pharmaceuticals, Inc., which does not prohibit Dr. Papadopoulos from being employed by other entities. Dr. Papadopoulos has disclosed that he receives payments and benefits from other entities including Georgetown University. He is compensated on a monthly basis, which he has the option to convert his compensation into shares plus he receives 250,000 warrants per year for the life of the contract.

Trust Agreements

The Company has entered into trust agreements and appointed trustees that are non directors or officers providing for the payment out of the assets of the trusts accrued under the Company's various benefit plans, employment agreements and other employment arrangements as the Company specify from time to time. To the extent not already irrevocable, the trusts would become irrevocable upon a change of control of Samaritan Pharmaceuticals. The Company may make contributions to the trusts from time to time, and additional funding could be required upon a change of control. To the extent funded, the trusts are to be used, subject to their terms and to the claims of the Company's general creditors in specified circumstances, to make payments under the terms of the benefit plans, employment agreements and other employment arrangements from time to time specified by the Company.

Indemnification Agreements

The Company has entered into indemnification agreements with each of its directors and officers, indemnifying them against expenses, settlements, judgments and fines incurred in connection with any threatened, pending or completed action, suit, arbitration or proceeding, where the individual's involvement is by reason of the fact that he or she is or was a director or officer or served at our request as a director of another organization (except that indemnification is not provided against judgments and fines in a derivative suit unless permitted by Nevada law.) An individual may not be indemnified if he or she is found not to have acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of Samaritan Pharmaceuticals, except to the extent Nevada law shall permit broader contractual indemnification. The indemnification agreements provide procedures, presumptions and remedies designed to substantially strengthen the indemnity rights beyond those provided by Samaritan Pharmaceutical's Certificate of Incorporation and by Nevada law.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding beneficial ownership of our common stock as of December 31, 2003 by all persons known by us to own beneficially 5% or more of the outstanding shares of our common stock, each director, and all executive officers and Directors as a group:

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| Name and Address of Beneficial Owner | Number of shares | Percentage Owned of Class |
|--|---------------------|------------------------------|
| ----- Welter Holden (1) (2) P.O. Box 211 | ----- 912,891 | ----- 0.7% |

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144 Gallows Lane
Litchfield CT 06759

| | | |
|---|------------|-------|
| Dr. Janet Greeson (1) (2) 101 Convention Center Dr # 310 Las Vegas, NV 89109 | 7,626,342 | 6.2% |
| Erasto R. C. Saldi, MD (1) 11304 Golden Chestnut Pl. Las Vegas, NV 89135 | 25,000 | 0.0% |
| Cynthia Thompson (1) (2) 3040 Post Oak Blvd. #695 Houston, Texas 77056 | 643,555 | 0.5% |
| H. Thomas Winn (1) (2) 3040 Post Oak Blvd. #675 Houston, Texas 77056 | 240,000 | 0.2% |
| Eugene Boyle (1) (2) 101 Convention Center Drive #310 Las Vegas, Nevada, 89109 | 4,662,500 | 3.8% |
| Dr. Vassilios Papadopoulos (1) (2) 101 Convention Center Drive #310 Las Vegas, NV 89109 | 1,050,000 | 0.9% |
| Brian Sullivan (1) (2) P.O. Box 211 144 Gallows Lane Litchfield CT 06759 | 1,053,150 | 0.9% |
| Doug Bessert (1) (2) 101 Convention Center Drive #310 Las Vegas, Nevada, 89109 | 1,580,364 | 1.3% |
| Samaritan Pharmaceuticals Inc Executive Trust (4) (5) FBO Dr. Janet Greeson | 12,966,959 | 10.6% |
| Samaritan Pharmaceuticals Inc Executive Trust (4) (5) FBO Eugene Boyle | 7,573,685 | 6.2% |
| Samaritan Pharmaceuticals Inc Executive Trust (4) (5) FBO Doug Bessert | 4,757,735 | 3.9% |
| Samaritan Pharmaceuticals Inc Executive Trust (4) (5) FBO Dr. Vassilios Papadopoulos | 1,129,000 | 0.9% |
| All Officers and Directors as a group 9 persons (1) (2) | 17,793,802 | 14.6% |

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(1) Includes shares of common stock which each of the following directors and executive officers had the right to acquire on December 31, 2003 or within sixty (60) days thereafter through the exercise of options: Dr. Janet Greeson

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(7,426,342 options), Dr. Vassilios Papadopoulos (1,000,000 options), Mr. Eugene Boyle (3,268,250 options), Mr. Doug Bessert (1,580,364 options), Mr. Welter Holden (100,000 options), Mr. Brian Sullivan (100,000 options), Ms. Cynthia Thompson (100,000 options), Mr. H. Thomas Winn (100,000 options), and Dr. Erasto R. C. Saldi, MD (25,000 options). Excludes vested deferred shares payable in shares held in trust by the company.

(2) Officer and/or Director.

(3) Calculated on the basis of 122,177,091 shares and options on common stock issued and outstanding and percentages are rounded and so are approximates.

(4) Dr Janet Greeson, Eugene Boyle, Doug Bessert and Dr. Vassilios Papadopoulos do not have the power to vote or direct the disposition of these shares in the respective trusts and therefore each disclaims beneficial ownership of the shares in the respective trusts.

(5) Address for the Trustee of the Executive Trusts is PO Box 22790 Santa Fe, NM, 87502

THE BOARD OF DIRECTORS AND COMMITTEES

The Board of Directors, which met 14 times during the year ended December 21, 2003, of which 13 were unanimous actions adopted by the Board. Most of our directors attended more than 75% of the aggregate of the total number of meetings of our board and its committees. The Company has formed, by determination of the Board of Directors, an Audit Committee, with Lead Independent Director Winn as Chairman, who is independent and a financial expert as used in Item 7(d)(3)(iv) of Schedule 14 A (240.14a-101 of this chapter) under the Exchange Act. The Audit Committee met two times during the year 2003. The Company has also formed a Compensation Committee, with Independent Director Thompson, as Chairman; a Business Advisory Board, with Independent Director Holden, as Chairman; and a Scientific Advisory Board, with Director Papadopoulos, as Chairman.

The board of directors currently does not have a nominating committee or a committee performing the functions of a nominating committee. Although there are no formal procedures for you to nominate persons to serve as directors, the board of directors will consider recommendations from you, which should be addressed to Samaritan Pharmaceuticals, Inc., 101 Convention Center Drive, Suite 310, Las Vegas, Nevada 89109. Our officers are elected by our board of directors and serve until the earlier of their resignation or removal, or until their successors have been duly elected and qualified.

AUDIT COMMITTEE REPORT ON DECEMBER 31, 2003 AUDITED FINANCIAL STATEMENTS

The Audit Committee of our board of directors of the Company is composed of three independent directors. The Audit Committee operates under a written charter adopted by our board of directors and attached as Exhibit A to Proxy Statement filed on April 3, 2001.

The Audit Committee is responsible for overseeing the company's financial reporting process on behalf of our board of directors. The members of the Audit Committee consist of Independent Directors, Thomas Winn, Cynthia Thompson and Brian Sullivan. Each year, the Audit Committee recommends to our board of directors, subject to stockholder ratification, the selection of the Company's independent auditors.

Management is responsible for the Company's financial statements and the financial reporting process, including internal controls. The independent auditors are responsible for performing an independent audit of the Company's consolidated financial statements in accordance with generally accepted auditing standards and for issuing a report thereon. The Audit Committee's responsibility is to monitor and oversee these processes.

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In this context, the Audit Committee has met and held discussions with management and Sherb & Co., LLP, the Company's independent auditors. Management represented to the Committee that the Company's consolidated financial statements were prepared in accordance with generally accepted accounting principles, and the Committee has reviewed and discussed the consolidated financial statements with management and the independent auditors. The Audit Committee discussed with Sherb & Co., LLP the matters required to be discussed by Statement on Auditing Standards No. 61 (Communication with Audit Committees). These matters included a discussion of Sherb & Co., LLP's judgments about the quality (not just the acceptability) of the Company's accounting principles as applied to financial reporting.

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Sherb & Co., LLP also provided the Audit Committee with the written disclosures and letter required by Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees), and the Audit Committee discussed with Sherb & Co., LLP that firm's independence. The Audit Committee further considered whether the provision by Sherb & Co., LLP of the non-audit services described elsewhere in this Proxy Statement is compatible with maintaining the auditors' independence.

Based upon the Audit Committee's discussion with management and the independent auditors and the Audit Committee's review of the representation of management and the disclosures by the independent auditors to the Audit Committee, the Audit Committee recommended to our board of directors that the Company's audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2003, for filing with the Securities and Exchange Commission. The Audit Committee and the Board of Directors have also recommended the selection of Sherb & Co., LLP as the company's independent auditors for 2004, subject to stockholder ratification.

/s/ Thomas Winn, /s/ Cynthia Thompson, /s/ Brian Sullivan

PROPOSAL NO. 2: RATIFICATION OF APPOINTMENT OF AUDITORS

Change of Independent Auditors

On May 11, 2002, the Company dismissed Feldman Sherb & Co., P.C., as its independent auditors. This action was approved by the Board of Directors and the Audit Committee of the Board of Directors. The audit reports of Feldman Sherb & Co., P.C., on the consolidated financial statements of the Company and its subsidiaries as of and for the years ended December 31, 2000 and 2001, did not contain any adverse opinion, disclaimer of opinion or qualification as to uncertainty, audit scope or accounting principles. During the two years ended December 31, 2000 and 2001, and the subsequent interim period through May 20, 2002, there were no disagreements with Feldman Sherb & Co., P.C., on any matter of accounting principle or practice, financial statement disclosure or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Feldman Sherb & Co., P.C., would have caused them to make a reference to the subject matter of the disagreement in connection with their reports; and there were no reportable events as defined in Item 304(a)(1)(v) of Regulation S-K. 16

On May 11, 2002 the Company engaged Sherb & C., LLP as its new independent auditors. The decision to change accounting firms was approved by the Company's Board of Directors and the Audit Committee of the Board of Directors. During the years ended December 31, 2000 and 2001, and the subsequent interim period through May 11, 2002, the Company did not consult with Sherb & C., LLP regarding the application of accounting principles to any specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Company's financial statements, or any other matters or reportable events as set forth in Items 304(a)(2)(i) and (ii) of Regulation S-K 16. The Company

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requested that Feldman Sherb & Co., P.C furnish it with a letter addressed to the Securities and Exchange Commission stating whether or not it agreed with the statements set forth above. A copy of such letter dated May 11, 2002 was filed as Exhibit 16.1 to the Company's Current Report on Form 8-K filed on September 24, 2002.

Our board of directors has appointed the firm Sherb & Co., LLP independent public auditors for the Company during fiscal year 2003, to serve in the same capacity for the fiscal year ending December 31, 2004, and is asking the stockholders to ratify this appointment. The affirmative vote of the holders of a majority of the shares represented by proxy and voting at the Annual Meeting is required to ratify the selection of Sherb & Co., LLP. In the event the stockholders fail to ratify the appointment, the Board of Directors will reconsider its selection. Even if the selection is ratified, our board of directors in its discretion may direct the appointment of a different independent auditing firm at any time during the year if our board of directors believes that such a change would be in the best interests of the Company and its stockholders.

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A representative of Sherb & Co., LLP is expected to be present at the Annual Meeting, will have the opportunity to make a statement if he or she desires to do so, and will be available to respond to appropriate questions.

The affirmative vote of a majority of the votes cast affirmatively or negatively at the Annual Meeting of stockholders at which a quorum representing a majority of all outstanding shares entitled to vote is present and voting, either in person or by proxy, is required for approval of this proposal. Abstentions and broker non-votes will each be counted as present for purposes of determining the presence of a quorum. Neither abstentions nor broker non-votes will have any effect on the outcome of the proposal.

Fees and Independence

Audit Fees - The aggregate fees billed for each of the last two fiscal years for professional services rendered by the principal accountant for the audit of the registrant's annual financial statements and review of financial statements included in the review of financial statements included in the registrant's Form 10-QSB or services that are normally provided by the accountant in connection with statutory and regulatory filings or engagement were \$27,000 plus out of pocket cost for each year.

Audit-Related Fees. The aggregate fees billed in each of the last two fiscal years for assurance and related services by the principal accountant that are reasonably related to the performance of the audit or review of the Company's financial statements and not reported under the caption "Audit Fee".

Tax Fees. No fees were billed in each of the last two fiscal years for professional services rendered by the principal accountant for tax compliance, tax advice and tax planning services. **All Other Fees.** Other than the services described above, the aggregate fees billed for services rendered by the principal accountant was \$0 and \$0, respectively, for the fiscal years ended December 31, 2003 and 2002. These fees related to the review of the Company's Registration Statement.

Audit Committee Policies and Procedures. The Audit Committee must pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for Samaritan by its independent auditors, subject to the de minimus exceptions for non-audit services described in Section

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10A(i)(1)(B) of the Securities Exchange Act of 1934, which should be nonetheless be approved by the Audit Committee prior to the completion of the audit. Each year the independent auditor's retention to audit our financial statements, including the associated fee, is approved by the committee before the filing of the previous year's annual report on Form 10-KSB. At the beginning of the fiscal year, the Audit Committee will evaluate other known potential engagements of the independent auditor, including the scope of work proposed to be performed and proposed fees, and approve or reject each service, taking into account whether the services are permissible under applicable law and the possible impact of each non-audit service on the independent auditor's independence from management. At each such subsequent meeting, the auditor and management may present subsequent services for approval. Typically, these would be services such as due diligence for an acquisition, that would not have been known at the beginning of the year.

Since May 6, 2003, the effective date of the Securities and Exchange Commission rules stating that an auditor is not independent of an audit client if the services it provides to the client are not appropriately approved, each new engagement of Sherb & Co., LLP, had been approved in advance by the Board of Directors, and none of those engagements made use of the de minimus exception to the pre-approval contained in Section 10A(i)(1)(B) for the Securities Exchange Act of 1934.

Required Vote

The affirmative vote of a majority of the votes cast in person or by proxy at the Annual Meeting will be required to ratify the appointment of Sherb & Co., LLP as our independent auditors for the year ending December 31, 2004. Broker non-votes and abstentions are not treated as votes cast for this purpose and have no effect on the outcome of the vote.

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Recommendation of the Board of Directors

Our board of directors recommends a vote "FOR" ratification of the appointment of Sherb & Co., LLP as our independent auditors.

STOCKHOLDER PROPOSALS

To be considered for presentation to the Annual Meeting to be held in 2005, a stockholder proposal must be received by Kristi Eads, Secretary, Samaritan Pharmaceuticals Inc., 101 Convention Center Drive, Suite 310, Las Vegas, Nevada 89109, no later than February 28, 2005.

OTHER MATTERS

Our board of directors knows of no other business which will be presented to the Annual Meeting. If any other business is properly brought before the Annual Meeting, proxies in the enclosed form will be voted in respect thereof in accordance with the judgments of the persons voting the proxies. It is important that the proxies be returned promptly and that your shares are represented. You are urged to sign, date and promptly return the enclosed proxy card in the enclosed envelope.

We have filed an Annual Report on Form 10-KSB for the year ending December 31, 2003, with the Securities and Exchange Commission. You may obtain, free of charge, a copy of the Form 10-KSB by writing to our Secretary, Kristi C. Eads, c/o Samaritan Pharmaceuticals Inc., 101 Convention Center Drive, Suite 310, Las Vegas, Nevada 89109. Our Form 10-KSB is also available through our website at www.samaritanpharma.com

By Order of the Board of Directors,
/s/ Janet Greeson, Ph.D.

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Janet Greeson, Ph.D.
Chairman of the Board of Directors

Dated: April 15, 2004 Las Vegas, Nevada

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ANNUAL MEETING OF STOCKHOLDERS OF
SAMARITAN PHARMACEUTICALS INC.
JUNE 18, 2004

Please date, sign and mail your proxy card in the
Envelope provided as soon as possible.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" THE ELECTION OF DIRECTORS AND
"FOR" PROPOSALS 2. PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED
ENVELOPE. PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE [X]

1. To elect six directors for a term expiring at the Annual Meeting of
Stockholders in year indicated.

| | NOMINEES | TERM EXPIRING |
|---|------------------------|---------------|
| <input type="checkbox"/> FOR ALL NOMINEES | Janet Greeson, Ph.D. | 2007 |
| | Welter "Budd" Holden | 2007 |
| | Erasto R. C. Saldi, MD | 2007 |

WITHHOLD AUTHORITY
FOR ALL NOMINEES

FOR ALL EXCEPT
(Instruction: To withhold authority to vote for any individual nominee(s), mark
"FOR ALL EXCEPT" and write the nominee name(s) below:

| | FOR | AGAINST | ABSTAIN |
|--|--------------------------|--------------------------|--------------------------|
| 2. To ratify the selection of Sherb & Co., LLP as independent auditors of the Company for the year ending December 31, 2004: | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

In their discretion, the Proxy Holders are authorized to vote upon such other
matters as may properly come before the Annual Meeting of Stockholders and at
any continuation, postponement or adjournment thereof. The Board of Directors at
present knows of no other business to be presented by or on behalf of the
Company or the Board of Directors at the Annual Meeting of Stockholders. This
Proxy Card will be voted as specified or, if no choice is specified, will be
voted FOR the election of the named nominees, FOR proposals 2.

The Board of Directors recommends a vote FOR election of the nominees for
director, FOR proposals 2. As of the date hereof, the undersigned hereby
acknowledges receipt of the accompanying Notice of Annual Meeting of
Stockholders to be held June 18, 2004, the proxy statement and the 2003 Annual
Report of the Company.

PLEASE MARK, SIGN, DATE AND RETURN PROMPTLY USING THE ENCLOSED ENVELOPE.

Signature of Stockholder:_____ Date:_____

Note: Please sign exactly as your name appears hereon. If the stock is

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registered in the names of two or more persons, each should sign. Executors, administrators, trustees, guardians and attorneys-in-fact should add their titles. If signer is a corporation, please give full corporate name and have a duly authorized officer sign, stating title. If signer is a partnership, please sign in partnership name by authorized person, stating title.