

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

March 30, 2007  
Date of Report (Date of earliest event reported)

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**ACURA PHARMACEUTICALS, INC.**

(Exact Name of Registrant as Specified in Charter)

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**State of New York**  
(State of Other Jurisdiction  
of Incorporation)

**1-10113**  
(Commission File Number)

**11-0853640**  
(I.R.S. Employer  
Identification Number)

**616 N. North Court, Suite 120**  
**Palatine, Illinois 60067**  
(Address of principal executive offices) (Zip Code)

**(847) 705-7709**  
(Registrant's telephone number, including area code)

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 (see General Instruction A.2. below):

- ☐ 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 (17CFR 240.13e-4(c))
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## Item 1.01 Entry Into a Material Definitive Agreement

On March 30, 2007, the Registrant amended bridge loan agreements with Essex Woodlands Health Venture V, L.P., Care Capital Investments II, L.P., Care Capital Offshore Investments II, L.P., Galen Partners III, L.P., Galen Partners International III, L.P. and Galen Employee Fund III, L.P. (collectively, the “VC Lenders”) and certain individual lenders, dated June 22, 2005, September 16, 2005, November 9, 2005 and January 31, 2006 (the “Bridge Loan Agreements”), under which the Registrant has borrowed the principal amount of \$9.340 million (inclusive of the March 30, 2007 bridge loan in the principal amount of \$600,000 described in Item 8.01 below) (collectively, the “Bridge Loans”). The amendments to the Bridge Loan Agreements provide for:

- (i) the extension of the maturity date of the Bridge Loans from March 31, 2007 to September 30, 2007;
  - (ii) the continued satisfaction of interest payments in the Registrant’s common stock based upon the average of the closing bid and asked prices of the common stock for the five (5) trading days immediately preceding the interest payment date;
  - (iii) the commitment for additional bridge funding to be provided by the VC Lenders in the principal amount of up to \$600,000 million (after giving effect to the Bridge Loan of \$600,000 made by the VC Lenders on March 30, 2007 and described in Item 8.01 below); and
  - (iv) the right of the bridge lenders to convert the Bridge Loans (including the additional bridge loans to be advanced under subsection (iii) above) (the “Bridge Loan Financing”), into the Registrant’s common stock upon the completion of a third-party equity financing providing gross proceeds to the Registrant in the aggregate amount of at least \$5 million (a “Third Party Equity Financing”), a Change of Control Transaction or upon the maturity date of the Bridge Loan Financing (each a “Triggering Event”). Upon the occurrence of a Triggering Event, the bridge lenders may convert the \$2.00 million of Bridge Loans secured from November 2006 through February 2007 (the “November 2006 Bridge Loans”) and the Bridge Loans secured March 30, 2007 and any future Bridge Loans into the Registrant’s common stock at a conversion price equal to (A) in the case of the completion of a Third Party Equity Financing, the lesser of (i) the average price of the securities sold by the Registrant in such Third Party Equity Financing, (ii) 80% of the average closing bid and asked prices of the Registrant’s common stock for the twenty trading days immediately preceding the public announcement of the Third Party Equity Financing, and (iii) \$0.46 per share (\$0.44, in the case of the November 2006 Bridge Loans) and (B) in the case of a Change of Control Transaction or upon the maturity date of the Bridge Loan Financing, the lesser of (i) \$0.46 per share (\$0.44, in the case of the November 2006 Bridge Loans) and (ii) 80% of the average closing bid and asked prices of the Registrant’s common stock for the twenty trading days immediately preceding the public announcement of the Change of Control Transaction or the maturity date, as applicable, but in no event in the case of clauses (A) and (B), less than \$0.21 per share. In addition, upon a Triggering Event, the bridge lenders may convert (i) \$2.55 million of Bridge Loan Financing into the Company's common stock at a conversion price of \$0.20 per share, (ii) \$2.3 million of Bridge Loan Financing at a conversion price of \$0.225 per share and (iii) \$1.894 million of bridge loan financing at a conversion price of \$0.25 per share, and in addition in the case of clauses (i)-(iii) of this sentence in a Third Party Equity Financing, on the same terms as provided in such Third-Party Equity Financing (but not less than \$0.21 per share).
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GCE Holdings, LLC, which is controlled by the VC Lenders, beneficially owns approximately 78% of the Registrant's outstanding common stock and has the right to designate four directors (of which it has exercised the right with respect to three directors) to the Registrant's Board of Directors.

**Item 2.03      Creation of a Direct Financial Obligation or an Obligation Under an Off Balance Sheet Arrangement**

The contents of Items 1.01 and 8.01 are hereby incorporated by reference.

**Item 8.01                      Other Events**

On March 30, 2007 and April 2, 2007, the Registrant borrowed \$400,000 and \$200,000, respectively, pursuant to a certain Bridge Loan Agreement dated January 31, 2006, as amended with various lenders. The Bridge Loans bear interest at a rate of 10% and mature on September 30, 2007. The Bridge Loans contain customary default and acceleration provisions and provide the conversion rights described in Item 1.01 above.

**Item 9.01                      Financial Statements and Exhibits**

<b><u>Exhibit Number</u></b>	<b><u>Description</u></b>
10.1	Omnibus Amendment and Consent effective as of March 30, 2007 between the Registrant and various lenders.
99.1	Press Release dated April 2, 2007 Announcing Receipt of Bridge Funding

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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 thereunto duly authorized.

### ACURA PHARMACEUTICALS, INC.

By: /s/ Peter A. Clemens

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Peter A. Clemens  
Senior Vice President & Chief Financial Officer

Date: April 2, 2007

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**Exhibit Index**

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**Description**

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## OMNIBUS AMENDMENT AND CONSENT

OMNIBUS AMENDMENT AND CONSENT EFFECTIVE AS OF March 30, 2007 (this “**Omnibus Amendment and Consent**”) by and among Acura Pharmaceuticals, Inc. (the “**Company**”), and Acura Pharmaceutical Technologies, Inc. and the following lenders (“**Lenders**”): Galen Partners III, L.P. (as agent for the other lenders (“**Agent**”) and as a lender itself), Galen Partners International, III, L.P., Galen Employee Fund III, L.P., Care Capital Offshore Investments II, LP, Care Capital Investments II, LP, Essex Woodlands Health Ventures V, L.P. (the foregoing Lenders, being the “**VC Lenders**”), Dennis Adams, George E. Boudreau, Michael Weisbrot, Susan Weisbrot; and the following persons with respect to Sections 5, 6, 7, and 8: John E. Heppe Jr. and Peter Steiglitz (“**Additional Watson Holders**”).

Capitalized terms used herein and not defined herein have the meanings set forth in the Subordination Agreement dated as of January 31, 2006 among the Lenders, the Company and others (the “**Subordination Agreement**”).

### RECITALS

**WHEREAS** the Company and one or more Lenders have entered into the June 2005 Loan Agreement, the September 2005 Loan Agreement, the November 2005 Loan Agreement and the January 2006 Loan Agreement (collectively, the “**Loan Agreements**”) and such other agreements, notes and instruments executed in connection with such loan agreements (collectively, the “**Loan Documents**”); and

**WHEREAS**, the Company and certain Lenders and the Additional Watson Holders are parties to the Watson Note (as defined in the Subordination Agreement); and

**WHEREAS**, the loans extended pursuant to the Loan Agreements are due to mature on March 31, 2007 (the “**Original Maturity Date**”);

**WHEREAS**, pursuant to Section 1(a) of the Omnibus Amendment dated August 16, 2006 among the parties hereto (the “**August 2006 Omnibus Amendment**”), Section 5.12 was added to each Loan Agreement to grant the Lenders the right to convert their Notes under certain circumstances into equity securities of the Company (the “**August 2006 Rollover Right**”);

**WHEREAS**, pursuant to Section 1(a) of the Omnibus Amendment dated November 30, 2006 among the parties hereto (the “**November 2006 Omnibus Amendment**”), Section 5.12 of each Loan Agreement was amended and restated to grant the Lenders a the right to convert their Notes under certain circumstances into equity securities of the Company (the “**November 2006 Rollover Right**”);

**WHEREAS**, the Company and the Lenders wish to extend the Original Maturity Date, amend and restate in its entirety the November 2006 Rollover Right as provided herein modified and provide for additional bridge loan commitments by the VC Lenders.

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained, the parties mutually agree as follows:

1. **Amendments:**

- (a) The January 2006 Loan Agreement is amended by adding thereto Schedule 1.3A attached hereto and by deleting Section 1.1 in its entirety and replacing same with the following:

**“1.1 TERM LOAN**

*On the terms and subject to the conditions of this Agreement, each Lender severally agrees to make to the Company on the Closing Date a term loan (each, a “Loan”) in a principal amount equal to such Lender’s initial Commitment. The Lenders shall make additional Loans commencing November 2006, as set forth in Section 1.3, and may, in their sole and absolute discretion, make additional Loans to the Company as provided in Section 1.3 hereof. The Company and the Lenders acknowledge and agree that no Lender is under any obligation to make any Loan in excess of its respective Commitment. No amounts paid or prepaid with respect to any Loan may be reborrowed.”*

;and by amending and restating the definition of Commitment in Article XVI as follows;

*““Commitment” means, with respect to each Lender, the commitment of such Lender to make such Loan hereunder. The initial amount of the Commitment of each of Essex, Care Capital and Galen is set forth opposite its signature hereto. The additional mandatory Commitments of the Lenders are set forth in Section 1.3. The Commitment of each Additional Lender and/or any additional Commitment of Essex, Care Capital and/or Galen will be set forth opposite its signature on the Joinder Agreement to which it is a party.”*

; and by replacing Section 1.3 thereof with the following

**“1.3 CLOSING**

*The initial closing (the “Closing”) at which the Loans from Essex, Care Capital and Galen shall be disbursed to the Company will take place at the offices of St. John & Wayne, L.L.C., Two Penn Plaza East, Newark, New Jersey 07105 upon the satisfaction of the conditions to Closing set forth in this Agreement on the date hereof, or such other place, time and date as shall be mutually agreed to by the Company and the Lenders. Each Lender agrees to fund additional Loans (“Mandatory Loans”) upon the Company’s written request during the months and in the percentage of the monthly amount specified next to each Lender’s name on Schedule 1.3 attached hereto and on Schedule 1.3A attached hereto. The Company will provide each Lender at least ten days notice of the date of the Closing of a Mandatory Loan (which date shall be binding on all parties), and the amount of Lender’s funding Commitment (based on the Lender’s commitment percentage set forth on Schedule 1.3 and Schedule 1.3A). Any amounts not borrowed by the Company during any month may be borrowed by the Company from the Lenders (and will be funded by the Lenders according to each Lender’s commitment percentage) in succeeding months until the earlier of (i) the date advanced to the Company under this Agreement, or (ii) September 30, 2007. The Company and the Lenders acknowledge and agree that additional Loans (“Non-Mandatory Loans”) may be funded to the Company by any one or more of Galen, Care Capital, Essex and any Additional Lender pursuant to the terms of this Agreement on one or more Closing Dates; provided, however, that (i) the aggregate principal amount of the Non-Mandatory Loans shall not exceed \$1,000,000 without the prior written consent of any two (2) of Essex, Care Capital and Galen,(ii) no such Additional Lender may participate without the prior written consent of any two (2) of Essex, Care Capital and Galen, and (iii) no Lender is under any obligation to fund any Loan other than its respective Commitment. Upon the funding of any additional Loans (whether Mandatory Loans or Non-Mandatory Loans), under this Agreement, the Company and each Lender and/or Additional Lender making a Loan shall be required to execute a Joinder Agreement, which Joinder Agreement shall specify the Commitment of such Lender and/or Additional Lender. Any Additional Lender executing a Joinder Agreement shall be deemed a “Lender” for all purposes of this Agreement. On the date of a Closing (each a “Closing Date”), the Company shall deliver to each Lender at such Closing a Note, dated the applicable Closing Date, in the principal amount equal to such Lender’s Commitment or, in the event Galen, Care Capital and/or Essex shall make an additional Loan hereunder, the Company shall issue to such Lender an additional Note dated the applicable Closing Date in the principal amount equal to such Lender’s additional Commitment. The Company shall deliver the foregoing Notes against receipt by the Company from each Lender of an amount equal to the Commitment of such Lender, in each case by wire transfer in immediately available funds in U.S. dollars to an account designated by the Company. Notwithstanding anything to the contrary herein, no Lender shall be required in any circumstances to make Mandatory Loans (x) in an aggregate amount that exceeds the aggregate amount of such Lender’s committed amount set forth on Schedule 1.3 and Schedule 1.3A, or (y) at any time after the occurrence and during the continuance of an Event of Default (including, for such purposes, after any event, fact or occurrence that, with the passage of time or giving of notice, would become an Event of Default) .”; and*

(b) Each of the June 2005 Loan Agreement, the September 2005 Loan Agreement, the November 2005 Loan Agreement and the January 2006 Loan Agreement is amended as follows:

- (i) Section 2.1 is amended to replace “March 31, 2007” with “September 30, 2007 (or such later date as may be agreed to by Lenders holding not less than 66 2/3% of the outstanding principal amount of the Loans)”; and
- (ii) Section 5.12 is hereby deleted in its entirety and replaced with the following:

**5.12. ROLLOVER RIGHT**

*Each Lender shall have the one-time right (the “Rollover Right”) on the terms provided below, to purchase, through the conversion of all or any portion of such Lender’s Notes (including principal and accrued and unpaid interest), securities of the Company, on the first to occur of a Third-Party Investor Financing, a Conversion Change of Control Transaction or the Maturity Date (each a “Material Event”) after the date hereof, under the terms and conditions set forth in this Section 5.12. Any portion of such Notes which are not so converted pursuant to this Section 5.12 shall become immediately due and payable simultaneously with such Material Event.*



(a) Simultaneous with the completion of an equity financing pursuant to which the Company issues its common stock or other equity securities of the Company and, after the effectiveness thereof, the Company will have cumulatively received at least \$5 million in gross proceeds from equity financings after the date hereof (including all equity financings after the date hereof, including such final financing which causes the aggregate cumulative proceeds to exceed \$5 million, but expressly excluding the principal and interest under the Notes for which a Lender's Rollover Right is exercised) from unaffiliated, thirty-party investors (a "Third-Party Investor Financing") other than (i) issuances of options or restricted stock units to employees, consultants or directors, (ii) interest on debt payable in common stock or (iii) pursuant to the conversion of warrants, options, restricted stock units or other convertible securities outstanding on the date hereof, each Lender may convert all or any portion (except as provided below) of its Notes, at the option of such Lender, under either (but not both or a combination of each) of the following:

(i) into the same equity securities as are issued in such Third-Party Investor Financing on the same terms as provided in such Third-Party Investor Financing (but at (A) for all Notes other than the Future Bridge Notes, the average price of all equity securities sold that have combined to exceed the cumulative \$5 million in proceeds, and (B) for the Future Bridge Notes, 80% of the average price of all equity securities sold that have combined to exceed the cumulative \$5 million in proceeds), provided that the conversion price per share of Common Stock determined pursuant to subsection (A) and (B) shall in no event be less than \$0.21, or

(ii) (A) for Notes issued in or prior to November 2005 (the "June to November 2005 Bridge Notes"), convert such Notes into Common Stock at a price of \$0.20 per share, (B) for Notes issued after November 2005 and in or prior to May 2006 (the "January to May 2006 Bridge Notes"), convert such Notes into Common Stock at a price of \$0.225 per share; (C) for Notes issued after May 2006 and in or prior to October 2006 (the "June to October 2006 Bridge Notes"), convert such Notes into Common Stock at a price of \$0.25 per share; (D) for Notes issued or to be issued under the Loan Agreement dated January 31, 2006 after October 2006 but prior to March, 2007 (the "November 2006 to February 2007 Bridge Notes"), convert such Notes into Common Stock at a conversion price equal to the lesser of (X) 80% of the average of the closing bid and asked prices of the Common Stock for the twenty (20) trading days immediately preceding the public announcement of the Third-Party Investor Financing, (Y) the average price of the equity securities sold that have combined to exceed the cumulative \$5 million in proceeds, and (Z) \$0.44 per share; provided that the conversion price per share of Common Stock determined pursuant to subsection (X) and (Y) above shall in no event be less than \$0.21; provided further that a Lender choosing this option must convert all (and not less than all) of its Notes pursuant to this option; and (E) for other Notes issued or to be issued under the Loan Agreement dated January 31, 2006 during March 2007 or thereafter (the "Future Bridge Notes"), convert such Notes into Common Stock at a conversion price equal to the lesser of (X) 80% of the average of the closing bid and asked prices of the Common Stock for the twenty (20) trading days immediately preceding the public announcement of the Third-Party Investor Financing, (Y) 80% of the average price of the equity securities sold that have combined to exceed the cumulative \$5 million in proceeds, and (Z) \$0.46 per share; provided that the conversion price per share of Common Stock determined pursuant to subsection (X) and (Y) above shall in no event be less than \$0.21; provided further that a Lender choosing this option must convert all (and not less than all) of its Notes pursuant to this option.

(b) Simultaneous with the completion of the first Conversion Change of Control Transaction to occur after the date hereof, each Lender may, at the option of such Lender convert all (and not less than all) of its Notes as follows, (i) for the June to November 2005 Bridge Notes, convert such Notes into Common Stock at a price of \$0.20 per share, (ii) for the January to May 2006 Bridge Notes, convert such Notes into Common Stock at a price of \$0.225 per share; (iii) for the June to October 2006 Bridge Notes, convert such Notes into Common Stock at a price of \$0.25 per share; and (iv) for the November 2006 to February 2007 Bridge Notes and the Future Bridge Notes convert such Notes into Common Stock at a price equal to 80% of the value per fully diluted share of the Company's common stock provided in the Conversion Change of Control Transaction, but in no event less than \$0.21 per share; provided, however, that if such Conversion Change of Control Transaction is a transaction of the type described in subsection (D) or (E) of the definition of Conversion Change of Control Transaction below, (i) each Lender's November 2006 to February 2007 Bridge Notes will be convertible, at the option of such Lender, into Common Stock at a price equal to the lesser of (X) 80% of the average closing bid and asked prices of the Common Stock for the twenty (20) trading days immediately preceding the public announcement of such Conversion Change of Control Transaction, but in no event less than \$0.21 per share; and (Y) \$0.44 per share and (ii) each Lender's Future Bridge Notes will be convertible, at the option of such Lender, into Common Stock at a price equal to the lesser of (X) 80% of the average closing bid and asked prices of the Common Stock for the twenty (20) trading days immediately preceding the public announcement of such Conversion Change of Control Transaction, but in no event less than \$0.21 per share; and (Y) \$0.46 per share. For purposes hereof, a Conversion Change of Control Transaction shall mean any of the following in one or a series of related transactions: (A) the acquisition (other than solely from the Company) by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act) other than the Company, any Subsidiary, any Lender or its Affiliates or GCE Holdings, LLC or its Affiliates, of the beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act) of more than sixty-six and 2/3 percent (66.66%) of the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Voting Securities"); (B) a merger, consolidation, share exchange, recapitalization, business combination or similar combination involving the Company or its capital stock (a "**Business Combination**"), other than a Business Combination in which more than thirty-three and 1/3 percent (33.33%) of the combined voting power of the outstanding voting securities of the surviving or resulting entity immediately following the Business Combination is held by the persons who, immediately prior to the Business Combination, were the holders of the Voting Securities; (C) a sale or other transfer (other than license) of all or substantially all of the Company's assets (measured by the value or earning power of the assets); (D) the license or similar agreement by the Company to a third party of all or substantially all rights in and to the Company's Aversion® technology and, as a result of such transaction, all or substantially all of the Company's activities consist of monitoring such arrangements and collecting fees and payments due thereunder; or (E) a liquidation or dissolution of the Company.

(c) At the Maturity Date (as the same may be extended pursuant to Section 2.2 hereof) each Lender may, at the option of such Lender, convert all (and not less than all) of its Notes as follows, (i) for the June to November 2005 Bridge Notes, convert such Notes into Common Stock at a price of \$0.20 per share, (ii) for the January to May 2006 Bridge Notes, convert such Notes into Common Stock at a price of \$0.225 per share; (iii) for the June to October 2006 Bridge Notes, convert such Notes into Common Stock at a price of \$0.25 per share; (iv) for the November 2006 to February 2007 Bridge Notes convert such Notes into Common Stock at the lesser of (X) 80% of the average of the closing bid and asked prices of the Common Stock for the twenty (20) trading days immediately preceding the Maturity Date, but in no event less than \$0.21 per share, and (Y) \$0.44 per share; and (v) for the Future Bridge Notes convert such Notes into Common Stock at the lesser of (X) 80% of the average of the closing bid and asked prices of the Common Stock for the twenty (20) trading days immediately preceding the Maturity Date, but in no event less than \$0.21 per share, and (Y) \$0.46 per share.

(d) The Company shall give each Lender written notice (a “**Material Event Notice**”) of the first Material Event to occur after the date hereof, which notice shall be provided not later than 20 days prior to the closing of said transaction (or, in the case of the Maturity Date, the Maturity Date) and describe the material terms of such transaction, (or, in the case of the Maturity Date, state the Maturity Date), the proposed closing date and the principal amount and interest accrued on the Lender’s outstanding Notes.

(e) Each Lender may exercise its Rollover Right with respect to the first Material Event to occur after the date hereof by (i) providing written notice to the Company exercising such Rollover Right, and (ii) surrendering such Lender’s applicable Notes, in each case not later than five (5) days prior to the effectiveness of the Material Event (the “**Rollover Right Exercise Period**”). If the material terms of the actual Material Event differ in any material respect from those specified in the Material Event Notice, each Lender shall be given the opportunity change the conversion election they had made under the prior terms (including to elect to convert if they previously did not do so).

(f) Upon a Lender's timely exercise of the Rollover Right pursuant to Section 5.12(e) above, the issuance of the Company's equity securities upon conversion of such Lender's Notes in the applicable Material Event shall occur simultaneous with the closing of such Material Event (or, in the case of the Maturity Date, on the Maturity Date).

(g) Subject to the last sentence of Section 5.12(e), and provided that the Company has complied with the terms of this Section 5.12, the Rollover Right provided in this Section 5.12 shall apply solely to the first Material Event occurring after the date hereof, and shall terminate upon the earlier of (i) the expiration of the Rollover Right Exercise Period (if not exercised by such Lender pursuant to Section 5.12(e)) and (ii) the closing of the first Material Event (or, in the case of the Maturity Date, the Maturity Date) occurring after the date hereof.

(c) Each of the June 2005 Notes, the September 2005 Notes, the November 2005 Notes and the January 2006 Notes (collectively, the "Notes") (and each of the forms of such Notes attached to the June 2005 Loan Agreement, the September 2005 Loan Agreement, the November 2005 Loan Agreement and the January 2006 Loan Agreement) is amended by:

(d)

(i) replacing the words March 31, 2007, wherever they appear therein with "September 30, 2007 (or such later date as may be agreed to by Lenders holding not less than 66 2/3% of the outstanding principal amount of the Loans)"; and

(ii) appending the following additional section to such note (to the extent not already included therein):

*"References to Loan Agreement. References to the Loan Agreement in this Note shall mean references to the Loan Agreement, as amended, and as the same may be further amended, supplemented or modified from time to time."*

(e) In the event a Replacement Note (as hereinafter defined) is issued pursuant to Section 4 hereof, then in such Replacement Note the words "Secured Promissory Note" shall be replaced with "Amended and Restated Promissory Secured Note" and the following section shall be appended thereto:

*"Amended and Restated Secured Promissory Note. This Amended and Restated Secured Promissory Note issued by the Company in favor of the Payee amends and restates in its entirety, and is issued by the Company in replacement of and substitution for a Secured Promissory Note of identical principal amount issued to Payee pursuant to the Loan Agreement (the "Original Note"). The Company and the Payee acknowledge and agree that upon the execution delivery of this Amended and Restated Secured Promissory Note, the Original Note shall be null and void and of no further legal force or effect."*

The form of such Replacement Note shall be also be attached to the applicable Loan Agreement as an acceptable form of note to be issued pursuant thereto.

Agreement as an acceptable form of note to

2. **References to Loan Documents:** Any reference to any Loan Document in any other Loan Document shall mean the Loan Document, as amended hereby.
3. **Attachment to All Notes:** The Lenders covenant to give a copy of this Omnibus Amendment and Consent to any purchaser of the June 2005 Notes, the September 2005 Notes, the November 2005 Notes or the January 2006 Notes prior to the actual purchase and to attach a copy of this Omnibus Amendment and Consent to any of such notes where the undersigned is the named payee or holder.
4. **Amended and Restated Notes.** Upon request of the Company, each Lender agrees to deliver to the Company any of the June 2005 Notes, the September 2005 Notes, the November 2005 Notes or the January 2006 Notes issued to them, in exchange for an amended and restated Note (the “**Replacement Note**”) incorporating the amendments set forth in this Omnibus Amendment and Consent.
5. **Subordination Agreement.** Each Lender and Additional Watson Holder agrees to the provisions of this Omnibus Amendment and Consent, including without limitation, to the amendments to the June 2005, September 2005 Notes, the November 2005 Notes and the January 2006 Notes and acknowledges that the Subordination Agreement shall remain in full force and effect .
6. **Notes and Agreements Not Assigned.** The undersigned Lenders and Additional Watson Holders acknowledge that they have not transferred, conveyed or assigned any of the Watson Note, the June 2005 Notes, the September 2005 Notes, the November 2005 Notes or the January 2006 Notes issued to them and the undersigned Lenders and Additional Watson Holders acknowledge that they have not assigned any rights under the Loan Documents or under the Subordination Agreement.
7. **Interest Payable to Lenders in Stock; Prepayments.** Notwithstanding anything in the Loan Documents to the contrary (except as set forth in Section 5.12 thereof), the Company (a) may, at the Company’s option, in full payment of all payments of interest on the Notes to the undersigned Lenders (“**Interest Due**”) make payment of the Interest Due in such number of shares of Common Stock of the Company equal to the quotient of the Interest Due such Lender, divided by the average of the closing bid and asked price of the Company’s Common Stock for the five (5) trading days immediately preceding the due date of such Interest Due, as reported by the Nasdaq OTCBB, and (b) may not prepay the principal amount of any Note, or any interest thereon, in whole or in part, at any time without the prior written consent of the holder thereof.
8. **Counterparts:** This Omnibus Amendment and Consent may be executed in one or more counterparts and by different parties hereto in separate counterparts, including by facsimile, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.
9. **Governing Law:** THIS OMNIBUS AMENDMENT AND CONSENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

IN WITNESS WHEREOF, each of the Parties have caused this Omnibus Amendment and Consent to be duly executed and delivered as of the day and year first above written.

ACURA PHARMACEUTICALS, INC.

By: /s/ Peter A. Clemens

\_\_\_\_\_  
Name: Peter A. Clemens  
Title: Sr. Vice President and CFO

ACURA PHARMACEUTICAL  
TECHNOLOGIES , INC.

By: /s/ Peter A. Clemens

\_\_\_\_\_  
Name: Peter A. Clemens  
Title: Sr. Vice President and CFO

LENDER AND AGENT:  
GALEN PARTNERS III, L.P.  
By: Claudius, L.L.C., General Partner  
610 Fifth Avenue, 5<sup>th</sup> Fl.  
New York, New York 10019

/s/ Bruce Wesson \_\_\_\_\_  
By: Bruce Wesson  
Its: General Partner

LENDER:  
GALEN PARTNERS INTERNATIONAL, III, L.P.  
By: Claudius, L.L.C., General Partner  
610 Fifth Avenue, 5<sup>th</sup> Floor  
New York, New York 10020

/s/ Bruce Wesson \_\_\_\_\_  
By: Bruce Wesson  
Its: General Partner

LENDER:  
CARE CAPITAL OFFSHORE INVESTMENTS II, LP  
By: Care Capital II, LLC, as general partner  
47 Hulfish Street, Suite 310  
Princeton, NJ 08542

By: /s/ David Ramsay \_\_\_\_\_  
By: David R. Ramsay  
Its: Authorized Signatory

LENDER:  
CARE CAPITAL INVESTMENTS II, LP  
By: Care Capital II, LLC, as general partner  
47 Hulfish St., Suite 310  
Princeton, NJ 08542

By: /s/ David Ramsay \_\_\_\_\_  
Name: David R. Ramsay  
Title: Authorized Signatory

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LENDER:  
GALEN EMPLOYEE FUND III, L.P.  
By: Wesson Enterprises, Inc.  
610 Fifth Avenue, 5<sup>th</sup> Floor  
New York, New York 10020

/s/ Bruce Wesson  
By: Bruce F. Wesson  
Its: General Partner

LENDER:  
MICHAEL WEISBROT  
1136 Rock Creek Road  
Gladwyne, Pennsylvania 19035

/s/ Michael Weisbrot

LENDER:  
DENNIS ADAMS  
120 Kynlyn Road  
Radnor, Pennsylvania 19312

/s/ Dennis Adams

ADDITIONAL WATSON HOLDER:  
PETER STIEGLITZ  
RJ Palmer LLC  
156 West 56th Street, 5th Floor  
New York, New York 10019

/s/ Peter Stieglitz

LENDER:  
ESSEX WOODLANDS HEALTH  
VENTURES V, L.P.  
190 South LaSalle Street, Suite 2800  
Chicago, IL 60603

/s/ Immanuel Thangaraj  
By: Immanuel Thangaraj  
Its: Managing Director

LENDER:  
SUSAN WEISBROT  
1136 Rock Creek Road  
Gladwyne, Pennsylvania 19035

/s/ Susan Weisbrot

LENDER:  
GEORGE E. BOUDREAU  
222 Elbow Lane  
Haverford, PA 19041

/s/ George Boudreau

ADDITIONAL WATSON HOLDER:  
JOHN E. HEPPE, JR.  
237 W. Montgomery Avenue  
Haverford, Pennsylvania 19041

/s/ John Heppe

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**Schedule 1.3**  
**Funding Schedule of \$ 2,000,000 in Bridge Loans**  
**All Amounts Under This Schedule Have Already Been Funded**

Lender Name	Month Commitment to be Funded	Commitment Amount	Percentage of Commitment
GALEN PARTNERS III, L.P.	November 2006	\$ 203,014.61	30.452191%
GALEN PARTNERS INTERNATIONAL, III, L.P.		\$ 18,376.31	2.756447%
GALEN EMPLOYEE FUND III, L.P.		\$ 831.31	0.124696%
ESSEX WOODLANDS HEALTH VENTURES V, L.P.		\$ 222,222.20	33.333333%
CARE CAPITAL INVESTMENTS II, LP		\$ 207,955.53	31.193333%
CARE CAPITAL OFFSHORE INVESTMENTS II, LP		\$ 14,266.67	2.140000%
<b>TOTAL FOR NOVEMBER 2006</b>		\$ 666,666.67	
GALEN PARTNERS III, L.P.	December 2006	\$ 203,014.61	30.452191%
GALEN PARTNERS INTERNATIONAL, III, L.P.		\$ 18,376.31	2.756447%
GALEN EMPLOYEE FUND III, L.P.		\$ 831.31	0.124696%
ESSEX WOODLANDS HEALTH VENTURES V, L.P.		\$ 222,222.20	33.333333%
CARE CAPITAL INVESTMENTS II, LP		\$ 207,955.53	31.193333%
CARE CAPITAL OFFSHORE INVESTMENTS II, LP		\$ 14,266.67	2.140000%
<b>TOTAL FOR DECEMBER 2006</b>		\$ 666,666.67	
GALEN PARTNERS III, L.P.	January 2007	\$ 203,014.61	30.452191%
GALEN PARTNERS INTERNATIONAL, III, L.P.		\$ 18,376.31	2.756447%
GALEN EMPLOYEE FUND III, L.P.		\$ 831.31	0.124696%
ESSEX WOODLANDS HEALTH VENTURES V, L.P.		\$ 222,222.20	33.333333%
CARE CAPITAL INVESTMENTS II, LP		\$ 207,955.53	31.193333%
CARE CAPITAL OFFSHORE INVESTMENTS II, LP		\$ 14,266.67	2.140000%
<b>TOTAL FOR JANUARY 2007</b>		\$ 666,666.67	



**Schedule 1.3A**  
**Funding Schedule of \$ 1,200,000 in Bridge Loans**

Lender Name	Month Commitment to be Funded	Commitment Amount	Percentage of Commitment
GALEN PARTNERS III, L.P.	March 2007	\$ 182,713.15	30.452191%
GALEN PARTNERS INTERNATIONAL, III, L.P.		\$ 16,538.68	2.756447%
GALEN EMPLOYEE FUND III, L.P.		\$ 748.18	0.124696%
ESSEX WOODLANDS HEALTH VENTURES V, L.P.		\$ 199,999.98	33.333333%
CARE CAPITAL INVESTMENTS II, LP		\$ 187,159.98	31.193333%
CARE CAPITAL OFFSHORE INVESTMENTS II, LP		\$ 12,840.00	2.140000%
<b>TOTAL FOR March 2007</b>		\$ 600,000	
GALEN PARTNERS III, L.P.	April 2007	\$ 91,356.57	30.452191%
GALEN PARTNERS INTERNATIONAL, III, L.P.		\$ 8,269.34	2.756447%
GALEN EMPLOYEE FUND III, L.P.		\$ 374.09	0.124696%
ESSEX WOODLANDS HEALTH VENTURES V, L.P.		\$ 99,999.99	33.333333%
CARE CAPITAL INVESTMENTS II, LP		\$ 93,579.99	31.193333%
CARE CAPITAL OFFSHORE INVESTMENTS II, LP		\$ 6,420.00	2.140000%
<b>TOTAL FOR April 2007</b>		\$ 300,000	
GALEN PARTNERS III, L.P.	May 2007	\$ 91,356.57	30.452191%
GALEN PARTNERS INTERNATIONAL, III, L.P.		\$ 8,269.34	2.756447%
GALEN EMPLOYEE FUND III, L.P.		\$ 374.09	0.124696%
ESSEX WOODLANDS HEALTH VENTURES V, L.P.		\$ 99,999.99	33.333333%
CARE CAPITAL INVESTMENTS II, LP		\$ 93,579.99	31.193333%
CARE CAPITAL OFFSHORE INVESTMENTS II, LP		\$ 6,420.00	2.140000%
<b>TOTAL FOR May 2007</b>		\$ 300,000	

**CONTACT:** Acura Pharmaceuticals, Inc.,  
Investor Relations, Peter A. Clemens, SVP & CFO **847-705-7709**

**FOR IMMEDIATE RELEASE**

**ACURA PHARMACEUTICALS, INC. SECURES BRIDGE FUNDING**

**Palatine, IL, April 2, 2007:** Acura Pharmaceuticals, Inc. (OTC.BB-ACUR) today announced it has secured gross proceeds of \$600,000 and a commitment for additional funding of up to \$600,000 under a term loan agreement (the "March 2007 Bridge Loan") with Essex Woodlands Health Ventures V, L.P., Care Capital Investments II, L.P., Care Capital Offshore Investments II, L.P., Galen Partners III, L.P., Galen Partners International III, L.P. and Galen Employee Fund III, L.P (the "Bridge Lenders"). The March 2007 Bridge Loan bears an annual interest rate of 10%, is secured by a lien on all assets of the Company and its subsidiary, is senior to all other Company debt, and matures on September 30, 2007. In addition, all prior Company bridge loans were amended (the "Bridge Loan Amendment") to extend their maturity date to September 30, 2007. Including the \$600,000 secured today, the Company has a total of \$9.3 million in bridge loans (collectively the "Bridge Loans") outstanding and due on September 30, 2007.

The Bridge Lenders have the right to convert the Bridge Loans into the Company's common stock at certain specified prices per share upon the occurrence of any one of certain triggering events including, (i) the completion of a third-party equity financing providing gross proceeds to the Company in the aggregate amount of at least \$5.0 million; (ii) a change of control transaction or (iii) upon the maturity of the Bridge Loans. The Bridge Loan Amendment may be reviewed in the Company's Form 8-K filed with the Securities and Exchange Commission.

**Use of Proceeds and Cash Reserves**

The Company will utilize the net proceeds from the March 2007 Bridge Loan to fund product development and licensing activities for its Aversion® Technology. The Company estimates that its current cash reserves, including the net proceeds from the March 2007 Bridge Loan, will fund operations through May, 2007. To continue operating thereafter, the Company must raise additional financing or enter into appropriate collaboration agreements with third parties providing for cash payments to the Company. No assurance can be given that the Company will be successful in obtaining any such financing or in securing collaborative agreements with third parties on acceptable terms, if at all, or if secured, that such financing or collaborative agreements will provide for payments to the Company sufficient to continue funding operations. In the absence of such financing or third-party collaborative agreements, the Company will be required to scale back or terminate operations and/or seek protection under applicable bankruptcy laws.

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## **About Acura Pharmaceuticals, Inc.**

Acura Pharmaceuticals, Inc. is a specialty pharmaceutical company engaged in research, development and manufacture of innovative Aversion® (abuse deterrent) Technology and related product candidates.

## **Forward Looking Statements**

This press release contains "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. These statements are based on current expectations of future events. If underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, actual results could vary materially from the Company's expectations and projections. The most significant of such risks and uncertainties include, but are not limited to, the Company's ability to secure additional financing to fund operations, the Company's ability to enter into contractual arrangements with qualified pharmaceutical partners to license, develop and commercialize the Company's technology and product candidates, the Company's ability to avoid infringement of patents, trademarks and other proprietary rights or trade secrets of third parties, and the Company's ability to fulfill the FDA's requirements for approving the Company's product candidates for commercial distribution in the United States, including, without limitation, the adequacy of the results of the clinical studies completed to date and the results of other clinical studies, to support FDA approval of the Company's product candidates, the adequacy of the development program for the Company's product candidates, changes in regulatory requirements, adverse safety findings relating to the Company's product candidates, the risk that the FDA may not agree with the Company's analysis of its clinical studies and may evaluate the results of these studies by different methods or conclude that the results of the studies are not statistically significant, clinically meaningful or that there were human errors in the conduct of the studies or otherwise, the risk that further studies of the Company's product candidates are not positive, and the uncertainties inherent in scientific research, drug development, clinical trials and the regulatory approval process. You are encouraged to review other important risk factors relating to the Company on our web site at [www.acurapharm.com](http://www.acurapharm.com) under the link, "Company Risk Factors" and detailed in Company filings with the Securities and Exchange Commission. The Company is at development stage and may never have any products or technologies that generate revenue. Acura Pharmaceuticals, Inc. assumes no obligation to update any forward-looking statements as a result of new information or future events or developments. All Acura Pharmaceuticals, Inc. press releases may be reviewed at [www.acurapharm.com](http://www.acurapharm.com).

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