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KANZER STEVE H  
Form PREN14A  
May 30, 2002

As filed, via EDGAR, with the Securities and Exchange Commission on  
May 29, 2002.

File No.: \_\_\_\_\_  
ICA No.: \_\_\_\_\_

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   
Filed by a party other than the registrant   
Check the appropriate box:

- Preliminary proxy statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive proxy statement
- Definitive additional materials
- Soliciting material pursuant to Rule 14a-11(c) or Rule 14a-12

DOR BIOPHARMA, INC.  
(Name of Registrant as Specified in Its Charter)

STEVE H. KANZER

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

Payment of filing fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:  
(2) Aggregate number of securities to which transaction applies:  
(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11:  
(4) Proposed maximum aggregate value of transaction:  
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- Fee paid previously with preliminary materials.
- Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

- (1) Amount previously paid:  
(2) Form, schedule or registration statement no.:  
(3) Filing party:  
(4) Date filed:

SECOND CONSENT STATEMENT

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OF  
STEVE H. KANZER  
FOR  
DOR BIOPHARMA, INC.

This Consent Solicitation Statement (this "Consent Statement") is furnished to you by Steve H. Kanzer (the "Solicitor") in connection with a solicitation of written consents from the holders of common stock, par value \$0.001 per share (the "Common Stock"), and Series B convertible preferred stock, par value \$0.05 per share (the "Preferred Stock"; together with the Common Stock, the "Stock"), of DOR Biopharma, Inc., a Delaware corporation ("DOR" or the "Company"), to take the following actions without a meeting of DOR's stockholders, as permitted by the Delaware General Corporation Law (the "DGCL"):

1. Remove (i) all current members of DOR's Board of Directors (the "Board of Directors") other than Steve H. Kanzer, Paul Rubin, M.D., Richard Dunning, Peter Kliem, Guy Rico, and Steven Thornton (the "Remaining Directors"), and (ii) any other person or persons (other than the persons elected pursuant to this consent) elected or appointed to the Board of Directors prior to the effective time of this stockholder action in addition to or in lieu of any of such current members (including any persons elected or appointed in lieu of the Remaining Directors) to fill any newly-created directorship or vacancy on the Board of Directors or otherwise (the "Director Removal Proposal").

2. Elect Gilbert Goldstein, Larry J. Kessel, M.D. and Peter Salomon, M.D., FACG (collectively, the "Nominees") as directors of DOR to serve until their respective successors are duly elected and qualified (the "Director Election Proposal").

3. Repeal any By-Laws adopted by the Board of Directors subsequent to May 29, 2002, and prior to the effectiveness of the Solicitor Proposals (as defined below), other than the amendment to the By-Laws contemplated by this Consent Statement (the "By-Laws Proposal"; collectively with the Director Removal Proposal, and the Director Election Proposal, the "Solicitor Proposals").

Call for a Special Meeting of Stockholders

Resolved, that the stockholders owning a majority of the shares of capital stock of DOR issued and outstanding as of May 29, 2002 do hereby call for a special meeting of stockholders at 10:00am central time on the first business day that is twenty (20) days after the date on which Steve H. Kanzer receives a number of consents constituting a majority of the shares of capital stock of DOR as of May 29, 2002 for the purpose of considering the Solicitor Proposals, unless such proposals are adopted by written consent in lieu of a meeting.

The Solicitor asks that stockholders of DOR consent to each of the Solicitor Proposals by marking the enclosed blue consent form appropriately, signing and dating it, and returning it promptly in accordance with the instructions set forth below.

This Consent Statement and the enclosed consent form are first being furnished to DOR's stockholders on or about May \_\_, 2002.

### SUMMARY OF CONSENT PROCEDURE

On May 24, 2002 the Solicitor filed an initial Consent Statement (the "Initial Consent Statement") with the Securities and Exchange Commission ("SEC") seeking the nearly identical resolutions contained herein by written consent of majority of the stockholders of DOR. Simultaneous therewith, on May 24, 2002 the Solicitor delivered by U.S. mail, facsimile and overnight mail the

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Solicitor's own written consent as a stockholder taken in lieu of a meeting to DOR Biopharma, Inc. Under the DGCL, the record date of a written consent unless fixed by the board of directors of the corporation is the date on which the first consent is delivered to the corporation but may not be dated more than sixty (60) days following the delivery of the first written consent. Pursuant to SEC regulations, the Solicitor will not be permitted to solicit written consents from stockholders of DOR pursuant to the Initial Consent Statement until such date and time that the Initial Consent Statement is reviewed and declared effective for use by the SEC. Accordingly, until the Initial Consent Statement is declared effective by the SEC, the Solicitor's sixty (60) day "window" to solicit consents under the Initial Consent Statement is reduced by each passing day. In the event that the SEC review process extends beyond sixty (60) days from May 24, 2002, the Solicitor may be effectively precluded from seeking any consents based upon the record date of May 24, 2002 utilizing the date of delivery of the Solicitor's initial written consent.

On May 29, 2002, subsequent to the filing of the Initial Consent Statement and delivery of the Solicitor's initial written consent to DOR, the Chairman of DOR called a special meeting of the board of directors to take place on May 30, 2002, specifically including the purpose of amending the bylaws of DOR. A draft of such new amended and restated bylaws of DOR (the "Draft Amended and Restated Bylaws") were circulated to the board of directors of DOR by the Chairman of DOR, for their consideration at the upcoming board of directors meeting called for May 30, 2002. As of the date of this writing, May 29, 2002, the Draft Amended and Restated Bylaws have not been considered for approval by the board of directors of DOR.

Among other amendments, such as the inclusion of a prenotification period for the nomination of individuals to serve on the board of directors, the Draft Amended and Restated Bylaws, if approved by the board of directors as drafted, eliminate the ability of the stockholders of DOR to call a special meeting of stockholders which would also effectively eliminate the ability of the stockholders to act by written consent in lieu of a meeting without the consent of the board of directors of DOR. In light of such potential disenfranchisement of the stockholders of DOR and the potential for a protracted review process by the SEC in light of the Draft Amended and Restated Bylaws, that the Initial Consent Statement and this Second Consent Statement seek to revoke and declare null and void, the Solicitor decided to file this Second Consent Statement which is in addition to, and specifically not in lieu of the Initial Consent Statement. This Second Consent Statement is intended to be a protective "back-up" measure by the Solicitor in the event that a protracted SEC review process substantially curtails or eliminates the sixty (60) day window beginning May 24, 2002 for the Solicitor to seek written consents pursuant to the Initial Consent Statement.

This Second Consent Statement is similar to the Initial Consent Statement in form and objectives with one essential difference. Pursuant to this Second Consent Statement, the Solicitor does not intend to deliver his own written consent as a stockholder or any other stockholder written consent to DOR until after this Second Consent Statement is declared effective by the SEC. Pursuant to this Second Consent Statement, Solicitor's effective sixty (60) day window may be preserved since the record date will not begin and the sixty (60) day window to receive later dated written consents will not begin to expire until this Second Consent Statement is approved by the SEC and delivery of the first written consent is delivered to DOR.

This Second Consent Statement also seeks to revoke any amendment to the bylaws of DOR effective after May 24, 2002. This will necessarily include the Draft Amended and Restated Bylaws if such bylaws are approved by the board of directors of DOR on or after May 30, 2002. Although the record date of this Second Consent Statement will be after the date of enactment of the Draft

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Amended and Restated Bylaws, the Solicitor believes that the Solicitor's prior notice given to the Board of Directors of DOR pursuant to the Initial Consent Statement dated May 24, 2002 and this Second Consent Statement filed with the SEC on May 29, 2002, should not disenfranchise powers held by the stockholders of DOR that are stockholders of record as of such dates and continue to remain stockholders as of the record date as established by the later delivery of the first written consent delivered by the Solicitor after the effectiveness of this Second Consent Statement and as may be amended. It is the Solicitor's belief that such outcome is in accordance with both the letter and intent of the laws of the State of Delaware and regulations of the SEC.

The Solicitor's Proposals will become effective on the date when the written consents of holders of a majority of the shares of Stock outstanding on the record date as determined in accordance with Delaware law (the "Record Date") are delivered to DOR, so long as each of those consents is delivered to DOR within 60 days of the earliest dated consent delivered to DOR. Section 213(b) of the DGCL provides that a corporation's board of directors may fix a record date for a consent solicitation, but that the date selected may not be more than ten days after the date upon which the resolution fixing the record date is adopted by the board. Section 213(b) also provides that if the board does not fix a record date, the record date will be the first date on which a signed written consent is delivered to the corporation. The written consents accompanying this Second Consent Statement specifically state that they shall not be considered validly delivered to DOR until after this Second Consent Statement, as amended, is declared effective by the SEC. Accordingly, the Record Date pursuant to the Second Consent Statement will not be until after this Second Consent Statement is declared effective by the SEC. The written consents will take effect when shares representing a majority of the shares of DOR entitled to vote are received by the Solicitor and delivered to DOR. The solicitation period will terminate after 60 days from the date when the SEC declares this proxy statement effective.

Although the Record Date will be after the date in which the Draft Amended and Restated Bylaws are adopted by the Board of Directors of DOR, if so adopted, the Solicitor believes that his prior notification to DOR on May 24, 2002 in the form of his filing of the Initial Consent Statement and delivery to DOR of the accompanying written consent associated therewith and prior notification on May 29, 2002 in the form of filing this Second Consent Statement with the SEC, should not disenfranchise stockholders of record of such date that continue to be stockholders of record as of the later Record Date pursuant to the Bylaws of DOR in effect on May 24, 2002 and May 29, 2002. In particular, the stockholders of DOR currently have the right to (a) call a special meeting of stockholders "at the request in writing . . . of the stockholders owning a majority of the shares of capital stock of [DOR] issued and outstanding and entitled to vote." Article II, Section 4, Bylaws of DOR (as successor to Biological Therapeutics, Inc. (a Delaware corporation)) and (b) the right to act by written consent "without a meeting, without prior notice, and without a vote, if a written consent, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present or represented by proxy or voted." Article II, Section 10, Bylaws of DOR (as successor to Biological Therapeutics, Inc.

To the Solicitor's knowledge, at the close of business on May 29, 2002, there were approximately 20,825,710 shares of Common Stock and 108,442 shares of Preferred Stock outstanding and entitled to vote. Each holder of Common Stock is entitled to one vote for each share of Common Stock held by it as of the Record Date. Each holder of Preferred Stock is entitled to one vote for each share of Common Stock into which a share of Preferred Stock was convertible as of the Record Date. As of the record date, the Solicitor believes each share of Preferred Stock is convertible into 13.55 shares of Common Stock.

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Consequently, as of the Record Date, the Preferred Stock was entitled to an aggregate of 1,469,404 votes. The total voting power represented by the Common Stock and the Preferred Stock as of the Record Date is 22,295,114, with 11,147,557 votes constituting the majority required for adoption of the Solicitor Proposals.

As of the May 29, 2002, Mr. Kanzer owned 391,674 shares of Common Stock, and options exercisable within 60 days for 416,800 shares of Common Stock, representing in the aggregate approximately 3.62% of the voting power of the outstanding Stock as of the Record Date. As of the Record Date, Mr. Goldstein owned 50,423 shares of Common Stock representing in the aggregate approximately 0.23% of the voting power of the outstanding Stock as of the Record Date. Mr. Goldstein's three adult children own approximately 16,807 shares of Common Stock, as to which Mr. Goldstein disclaims beneficial ownership. As of the Record Date, Dr. Kessel owned no shares of Common Stock, although his wife owns 12,500 shares of Common Stock as to which Dr. Kessel disclaims beneficial ownership. As of the Record Date, Dr. Salomon does not own any shares of Common Stock. Accordingly, taken together the Solicitor and the Nominees own a total of 858,897 shares of Common Stock and options exercisable within 60 days, representing in the aggregate approximately 3.85% of the outstanding Stock as of the Record Date.

The Solicitor recommends that you consent to each of the Solicitor Proposals by marking the enclosed blue consent form appropriately, signing and dating it, and returning it promptly in the postage-paid envelope provided. Failure to sign and return your consent will have the same effect as voting against the Solicitor Proposals.

If your shares are held in the name of a brokerage firm, bank nominee or other institution, you should contact the person responsible for your account and give instructions for the consent form representing your shares to be marked, dated, signed and mailed. Only that institution can execute a consent form with respect to your shares held in the name of that institution and only upon receipt of specific instructions from you. The Solicitor urges you to confirm in writing your instructions to the person responsible for your account and to provide a copy of those instructions to the Solicitor at the address set forth below so that the Solicitor is aware of all instructions given and can attempt to ensure that those instructions are followed.

The Solicitor currently intends to cease the solicitation of consents once he has determined that valid and unrevoked consents representing a majority of the voting power represented by issued and outstanding shares of Stock as of the Record Date have been obtained and to deliver those consents to DOR in the manner required by Section 228 of the DGCL as soon as practicable thereafter. Once the Solicitor Proposals for which consents are given become effective, a stockholder will be unable to revoke his or her consent.

If the Solicitor Proposals become effective, as required by the DGCL, DOR will promptly notify by mail the stockholders who have not consented to the Solicitor Proposals.

Please return your completed consent form (or institution instructions), and direct any questions, to Steve H. Kanzer at the following coordinates:

Steve H. Kanzer  
C/O Accredited Ventures, Inc.  
801 Brickell Ave., Suite 900  
Miami, FL 33131  
Phone: (305) 789-6692  
Facsimile: (305) 789-6664

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### WHY YOU SHOULD CONSENT TO THE SOLICITOR PROPOSALS

The Solicitor is concerned about the Company's current rate of spending and headcount relative to its available working capital. According to the Company's most recent 10QSB filing on May 15, 2002, the Company had \$4.7 million in working capital, with a quarterly loss of \$1.9 million (an increase of 61% from a loss of \$1.2 million for the first quarter 2001). The Solicitor disagrees in particular with the Company's rate of spending in the areas of management salaries, headcount, legal and accounting expenditures, and research and development relating to early stage, as opposed to late stage, pharmaceutical product opportunities. In addition, according to the Company's most recent 10QSB filing, "the Company may also seek to obtain funds from possible future public or private sales of our securities". The Solicitor would consider such a sale currently to be inadvisable given the Company's low stock price.

The Solicitor believes that DOR has substantial inherent value, and sufficient working capital to meet its objectives, if properly focused. The Solicitor is proposing the removal of all directors who are or were members of management and replacing such directors with directors that are independent of the Company's current or former management. If the consent solicitation is successful, the Solicitor is hopeful that the reconstituted board will direct management to: (i) institute a significant cost cutting program, reduction of Company management and reduction in headcount from its current level of 22 full-time employees; (ii) preserve the Company's existing capital (\$4.7 million as of the most recent 10QSB filing); (iii) focus the Company's remaining existing financial and human resources on completing the ongoing pivotal phase III clinical trial of orBectMI for Intestinal Graft-Vs-Host Disease (IGVHD) and Phase II trial for Crohn's disease; and (iv) as a consequence, hopefully avoid the need for any immediate dilutive financing transaction(s).

### RESULTS OF THE DOR 2002 ANNUAL MEETING OF SHAREHOLDERS

At DOR's Annual Meeting of Stockholders held on May 23, 2002 (the "2002 Annual Meeting"), Mr. Kanzer nominated three individuals to be considered for election to the board of directors of DOR, Mr. Goldstein, Dr. Kessel and a third individual, Mr. Nicholas Stergis. At the 2002 Annual Meeting, Mr. Kanzer voted his 380,258 shares of Common Stock and voting proxies from eight (8) additional stockholders of record representing an additional approximately 7,948,850 shares of Common Stock and shares of Common Stock into which the Preferred Stock is convertible in favor of election of Mr. Goldstein, Dr. Kessel and Mr. Stergis. At the 2002 Annual Meeting, the approximately 8,099,621 total votes cast in favor of Mr. Goldstein, Dr. Kessel and Mr. Stergis were not sufficient to successfully elected these individuals to the board of directors due to the approximately 11,500,000 majority of votes cast in favor of the reelection of Mr. Colin Bier, the current Chairman and Chief Executive Officer of DOR, Mr. Michael Rosen, the current President and Chief Operating Officer of DOR and Kenneth Tempero, M.D., Ph.D., the former Chairman of DOR, whom this Consent seeks to remove from the board of directors. Of the 11,500,000 shares voting in favor of Messrs. Bier, Rosen and Dr. Tempero, approximately 8,400,000 shares were voted by transfer agents and various brokerage firms holding shares of Common Stock in "street name" on behalf of other beneficial owners. The Solicitor believes that most of these transfer agents and brokerage firms have abided by the common practice of voting such "street name" shares for which the beneficial owners fail to respond to a Company proxy in a so-called "uncontested election" in favor of the slate of directors recommended by the Company absent alternative instructions received from the beneficial owners. The precise number of votes cast under standing instructions as described is not known by the Solicitor.

### THE SOLICITOR PROPOSALS

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The Solicitor is seeking written consents from the holders of shares of Stock to elect the Nominees and adopt the other Solicitor Proposals and to take the following actions without a stockholders meeting, as permitted by the DGCL and the Company's By-Laws. The effectiveness of each of the Solicitor Proposals is subject to, and conditioned upon, the adoption of each of the other Solicitor Proposals by the holders of record, as of the close of business on the Record Date, of a majority of the voting power of the shares of Stock then outstanding. If, however, the By-Laws Proposal is not so adopted, the Solicitor reserves the right to waive this condition, but only with respect to the By-Laws Proposal.

### Board Removal Proposal

This proposal would remove each of the current members of the Board of directors other than the Remaining Directors (as defined below) and the persons elected pursuant to this consent. The text of the resolution is as follows:

RESOLVED, that (1) each current member of the Board of Directors of DOR, other than Steve H. Kanzer, Paul Rubin, M.D., Richard Dunning, Peter Kliem, Guy Rico, and Steven Thornton (those current members, the "Remaining Directors"), and (2) any other person or persons (other than the persons elected pursuant to this consent) elected or appointed to the Board of Directors of DOR prior to the effective time of this resolution, in addition to or in lieu of any of such current members (including any persons elected or appointed in lieu of the Remaining Directors) to fill any newly created directorship or vacancy on the Board of Directors of DOR, or otherwise, is hereby removed and the office of each such member of the Board of Directors of DOR is hereby declared vacant.

Delaware law provides that directors of DOR may be removed, with or without cause, by the holders of a majority of the shares of stock then entitled to vote at an election of the directors. This Solicitor Proposal would remove three (3) of the current nine (9) directors (other than the Remaining Directors) so that the three (3) Nominees would, if elected, constitute, along with the six (6) Remaining Directors all of the nine (9) members of the Board of Directors. Each member of the Board of Directors would then serve until a successor is elected and qualified or until he resigns or is removed.

### Director Election Proposal

This proposal would elect Gilbert Goldstein and Drs. Larry J. Kessel and Peter Salomon as directors of DOR. The text of the resolution is as follows:

RESOLVED, that Gilbert Goldstein, Larry J. Kessel, M.D. and Peter Salomon, M.D. are hereby elected as directors of DOR, to serve until their respective successors are duly elected and qualified.

The Solicitor seeks to replace Messrs. Bier, Rosen and Dr. Tempero with the three (3) Nominees. Pursuant to this Solicitor Proposal, the three (3) Nominees would, if elected, constitute, along with the six (6) Remaining Directors all of the nine (9) members of the Board of Directors. The Solicitor proposes that the Nominees named above, once elected, serve until the next annual meeting of the stockholders and until their successors have been duly elected and qualified. Each of the Nominees has consented to serve as a director of DOR if elected. See "Certain Information Regarding the Solicitor and the Nominees" for more information about the Nominees.

### By-Laws Proposal

This proposal would repeal each provision of any amendment to the By-Laws adopted subsequent to May 29, 2002 (the day Mr. Kanzer delivered a notice to DOR of his intention to seek consent of the majority of the stockholders of DOR and

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initially filed his consent solicitation documents for review by the Securities and Exchange Commission ("SEC"), and prior to the effectiveness of the Solicitor Proposals. This proposal is designed to prevent the existing Board of Directors from taking actions to amend the By-Laws which might prevent the stockholders from accomplishing the objectives described in this Consent Statement. Pursuant to this proposal, the Draft Amended and Restated Bylaws, if adopted by the board of directors of DOR on or after May 30, 2002 would be repealed upon effectiveness of the Solicitor Proposals. If the current Board of Directors adopts any other material amendments they would be repealed upon effectiveness of the Solicitor Proposals. The Solicitor will provide stockholders with additional materials regarding the Draft Amended and Restated Bylaws if adopted by the board of directors and of any other amendments as described above. The text of the resolution is set forth below.

RESOLVED, that all By-Laws adopted subsequent to May 29, 2002, and prior to the effectiveness of this resolution are null and void and of no force and effect.

Section 109 of the DGCL provides that "the power to adopt, amend or repeal bylaws shall be in the stockholders entitled to vote ...; provided, however, any corporation may, in its certificate of incorporation, confer the power to adopt, amend or repeal bylaws upon the directors .... The fact that such power has been so conferred upon the directors ... shall not divest the stockholders ... of the power, nor limit their power to adopt, amend or repeal bylaws." The Solicitor believes that such an unequivocal statement makes it clear that the stockholders of DOR have the power under Delaware law to repeal By-Laws as provided by the By-Laws Proposal, whether or not the By-Laws so amended or repealed are known to the stockholders. To the knowledge of the Solicitor, the Delaware courts have not addressed the validity of a proposal in the form of the By-Laws Proposal. Based upon a review of the By-Laws on file with the Commission as of May 29, 2002, the Solicitor does not believe that the invalidity of this proposal would have an adverse effect on the stockholders or this consent solicitation. Upon effectiveness of this proposal, all By-Laws adopted subsequent to May 29, 2002, whether they could be considered as beneficial or detrimental to the stockholders, will be repealed. If prior to the effectiveness of the Solicitor Proposals the Board of Directors adopts any material amendments to the By-Laws that are relevant to the Solicitor Proposals, the Solicitor will forward additional solicitation materials to DOR's stockholders regarding those actions.

### Special Meeting of Stockholders Proposal

Resolved, that the stockholders owning a majority of the shares of capital stock of DOR issued and outstanding as of May 29, 2002 do hereby call for a special meeting of stockholders at 10:00am central time on the first business day that is twenty (20) days after the date on which Steve H. Kanzer receives a number of consents constituting a majority of the shares of capital stock of DOR as of May 29, 2002 for the purpose of considering the Solicitor Proposals, unless (a) such proposals are adopted by written consent in lieu of a meeting, or (b) Steve H. Kanzer delivers written notice to DOR consenting to the calling off of such special meeting of stockholders.

### CERTAIN INFORMATION REGARDING THE SOLICITOR AND THE NOMINEES

Set forth below are the name, age, present principal occupation and employment history of each of the Nominees for at least the past five years. The information regarding each Nominee has been furnished to the Solicitor by that Nominee. Each of the Nominees has consented to serve as a director of DOR, and is at least 18 years of age.

Larry J. Kessel, M.D., 47, currently is in private practice in internal and geriatric medicine and has been since 1985. He has served as medical director at



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Integrated Health Services, a conglomerate involved in geriatric care. He has been a clinical instructor at Jefferson Medical College since 1984. Dr. Kessel holds a position on the Board of Directors of Cypress Biosciences, Inc., a publicly traded biotechnology company.

Peter Salomon, M.D, FACP, 48, is a Board Certified Gastroenterologist in private practice with Gastroenterology Associates of South Florida. An active clinical researcher in the treatment of Crohn's disease, Dr. Salomon has seen several thousand patients suffering from inflammatory bowel disease. Dr. Salomon has authored numerous peer reviewed publications on the subject of Crohn's disease and is co-author of the chapter of the leading gastroenterology textbook, Sleisinger & Fordtran's, Gastrointestinal & Liver Diseases. Dr. Salomon received his undergraduate degree from New York University in 1981 and his Medical Degree from New York University in 1985. Dr. Salomon received his training in Internal Medicine and Gastroenterology at The Mount Sinai Hospital in New York where he also held a grant from the Crohn's and Colitis Foundation to perform research in inflammatory bowel disease.

Gilbert Goldstein, 72, is a private investor in the field of real estate investment and development of shopping centers, office buildings, industrial parks, condominium projects, and land development. Mr. Goldstein is also actively involved in venture capital investments. Mr. Goldstein was an officer in the U.S. Air Force and is a graduate of Pennsylvania State University.

Set forth below are the name, age, present principal occupation and employment history for at least the past five years of the Solicitor.

Steve H. Kanzer, C.P.A., Esq., 38, has served as a member of the Board of Directors since June 1996. From December 1997 until November 29, 2001, Mr. Kanzer was President and Chief Executive Officer of Corporate Technology Development, Inc., CTD, which was acquired by DOR in November 2001. Since December 2000, Mr. Kanzer has also been Chairman, Chief Executive Officer and President of Accredited Equities, Inc., ("Accredited"), a NASD member investment banking firm specializing in the biopharmaceutical industries that is based in Miami, Florida. Since January 2001, Mr. Kanzer is Chairman and Chief Executive Officer of Accredited Ventures, Inc., a venture capital group specializing in the biopharmaceutical industry. Since December 2000, Mr. Kanzer has served as the President and Chief Executive Officer of Vertical Memories, Inc. and General Fiber, both private medical technology companies. Since January 2001, Mr. Kanzer has served as the President and Chief Executive Officer of CD4 Biosciences, Inc., Developmental Therapeutics, Inc., Pipex, Inc. and Solovax, Inc., all private biotechnology companies. Mr. Kanzer is also President and Chief Executive Officer of several other private biotechnology companies. From 1992 until December 1998, Mr. Kanzer was a founder and Senior Managing Director of Paramount Capital, Inc., an investment bank specializing in the biotechnology and biopharmaceutical industries, and Senior Managing Director--Head of Venture Capital of Paramount Capital Investments, LLC, a biotechnology and biopharmaceutical venture capital and merchant banking firm that is affiliated with Paramount Capital, Inc. From 1994 until June 2000, Mr. Kanzer was a founder and Chairman of Discovery Laboratories, Inc., a publicly traded pharmaceutical research and development company. Mr. Kanzer is a member of the board of directors of Atlantic Technology Ventures, Inc., a publicly traded pharmaceutical research and development company. Prior to joining Paramount Capital, Inc., Mr. Kanzer was an attorney with Skadden, Arps, Slate, Meagher & Flom LLP in New York, New York from September 1988 to October 1991. He received his J.D. from New York University School of Law in 1988 and a B.B.A. in Accounting from Baruch College in 1985. Mr. Kanzer is currently the designated nominee of Aries Select, Ltd. and Aries Select I LLC to the board of directors of DOR. See "Certain Relationships and Transactions", below.

The Solicitor has, during the past 10 years, not been convicted in a criminal proceeding (excluding traffic violations and similar misdemeanors).

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### Certain Relationships AND TRANSACTIONS

Steve H. Kanzer is a director of DOR and the former President and Chief Executive Officer and a director of CTD, a biotechnology company that DOR acquired on November 29, 2001. Mr. Kanzer serves on the board of directors of DOR as a nominee of the Aries Master Fund II and the Aries Domestic Fund, who subsequently transferred their right to nominate a member to the board of directors of DOR to Aries Select, Ltd., or Aries, and Aries Select I LLC, or Aries I, each of which is a principal stockholder of DOR. Aries Select II LLC, or Aries II, is also a stockholder of DOR. From February 1992 until December 1998, Mr. Kanzer was a Senior Managing Director of Paramount. Paramount Capital Asset Management, Inc., or PCAM, is the investment manager of Aries and the managing member of each of Aries I and Aries II. Lindsay A. Rosenwald, M.D. is the Chairman and sole stockholder of PCAM and Paramount Capital, Inc., or Paramount. As of May 29, 2002, Dr. Rosenwald beneficially owned approximately 25% of DOR's common stock. Paramount has acted as a placement agent in connection with certain private placements of DOR's common stock, as a finder in connection with a private placement of DOR's common stock and warrants, and as a financial advisor to DOR. In addition, certain officers, employees and associates of Paramount and its affiliates own securities of DOR and a subsidiary of DOR. Dr. Rosenwald is also the Chairman and sole stockholder of Huntington Street Company, or Huntington Street, and June Street Company, or June Street, and is the sole member of Paramount Capital Drug Development Holdings LLC, or Paramount Holdings.

On June 13, 1996, Dominion Resources, Inc. entered into an agreement with The Aries Fund and the Aries Domestic Fund, L.P., collectively referred to herein as the Aries Funds, with the Company as a party to the agreement, whereby the Aries Funds purchased an aggregate of 266,667 shares of the Company's common stock from Dominion Resources. As part of the transaction, Dominion Resources transferred to the Aries Funds certain of its rights under an existing agreement with the Company, including the right to designate one of the directors of the Company and the right to have the shares registered under the Securities Act. Upon completion of the transaction, Mr. Kanzer, also the Solicitor, was elected to the Board of Directors as a designee of the Aries Funds. On June 26, 1996, the Aries Funds purchased from the Company an additional 333,334 shares of common stock. The purchase agreements relating to such shares contains various representations and warranties concerning the Company and its activities and also various affirmations and negative covenants. The agreements grant to the Aries Funds the right to have the shares registered under the Securities Act and restrict the Company from entering into mergers, acquisitions, or sales of the Company's assets without the prior approval of the Aries Funds and the Aries Fund nominee on the Board. In 2001, the Aries Funds transferred the shares of the Company's common stock and the rights under the purchase agreements to Aries Select, Ltd. and Aries Select I LLC. Aries Select, Ltd. and Aries Select I LLC each beneficially own in excess of 5% of the Company's common stock, based upon the shares of common stock and shares of common stock issuable upon exercise of warrants beneficially owned by each of them.

In connection with a credit agreement entered into by the Company and the Aries Funds on May 19, 1997, the Company issued to the Aries Funds warrants to purchase an aggregate of 66,668 shares of common stock. PCAM is the investment manager of the Aries Funds and the general partner of the Aries Domestic Fund, L.P. In 2001, the Aries Funds transferred their Company warrants to Aries Select, Ltd. and Aries Select I LLC, both of which are affiliates of PCAM, or Paramount, and Lindsay Rosenwald, M.D.

Pursuant to a Financial Advisory Agreement dated as of October 18, 2001 between

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Paramount and the Company, Paramount provided to the Company financial advisory services regarding the merger between the Company and CTD. Paramount received as compensation for these services, options to purchase 46,000 shares of the Company's common stock at an exercise price of 1.25 per share. These options vested immediately upon issuance and expire on February 21, 2011. Additionally on November 29, 2001, the closing date of the CTD merger, the Company issued Paramount additional "success fee" options to purchase 54,000 shares of the Company's common stock at an exercise price of \$0.90 per share. These options vested immediately upon issuance and expire on November 29, 2011.

Except as set forth in this Consent Statement, to the knowledge of the Solicitor, none of the Solicitor or Nominees (i) owns beneficially, directly or indirectly any securities of DOR, (ii) owns beneficially, directly or indirectly any securities of any parent or subsidiary of DOR, (iii) owns any securities of DOR of record but not beneficially, (iv) has purchased or sold any securities of DOR within the past two years, (v) has incurred indebtedness for the purpose of acquiring or holding securities of DOR, (vi) is or has within the past year been a party to any contract, arrangement or understanding with respect to any securities of DOR, (vii) since the beginning of DOR's last fiscal year has been indebted to DOR or any of its subsidiaries in excess of \$60,000 or (viii) has any arrangement or understanding with respect to future employment by DOR or with respect to any future transactions to which DOR or any of its affiliates will or may be a party. In addition, to the best knowledge of the Solicitor, except as set forth in this Consent Statement, since the beginning of DOR's last fiscal year, none of the Solicitor or Nominees has had or is to have a direct or indirect material interest in any transaction or proposed transaction with DOR in which the amount involved exceeds \$60,000.

Except as set forth in this Consent Statement, to the knowledge of the Solicitor, none of the Nominees, since the beginning of DOR's last fiscal year, has been affiliated with (i) any entity that made or received, or during DOR's current fiscal year proposes to make or receive, payments to or from DOR or its subsidiaries for property or services in excess of 5% of either DOR's or that entity's consolidated gross revenues for its last full fiscal year, or (ii) any entity to which DOR or its subsidiaries was indebted at the end of DOR's last full fiscal year in an aggregate amount exceeding 5% of DOR's total consolidated assets at the end of such year. Except as set forth in this Consent Statement, none of the Nominees is or during DOR's last fiscal year has been affiliated with any law or investment banking firm that has performed or proposes to perform services for DOR.

To the knowledge of the Solicitor, except for Mr. Kanzer, in the case of CTD, none of the corporations or organizations in which each of the Nominees has conducted his principal occupation or employment was a parent, subsidiary or other affiliate of DOR, and no Nominee holds any position or office with DOR or has any family relationship with any executive officer or director of DOR or has been involved in any proceedings, legal or otherwise, of the type required to be disclosed by the rules governing this solicitation.

### THE CONSENT PROCEDURE

Section 228 of the DGCL states that, unless otherwise provided in a corporation's certificate of incorporation, any action that may be taken at any meeting of stockholders may be taken without a meeting, if consents in writing, setting forth the action so taken, are signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Those consents must be delivered to the corporation by delivery to its registered office in Delaware, its principal place of business or an officer or agent of the corporation having custody of

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the book in which proceedings of meetings of stockholders are recorded. In the case of this consent solicitation, written, unrevoked consents of the holders of a majority of the outstanding shares of Stock as of the Record Date must be delivered to DOR as described above to effect the actions as to which consents are being solicited hereunder. Section 228 of the DGCL further provides that no written consent shall be effective to take the corporate action referred to therein unless, within 60 days of the earliest dated consent delivered in the manner required by Section 228, written consents signed by a sufficient number of holders to take such action are delivered to the corporation in the manner required by Section 228.

The Solicitor currently intends to cease the solicitation of consents once he has determined that valid and unrevoked consents representing a majority of the voting power represented by issued and outstanding shares of Stock as of the Record Date have been obtained. He then intends to deliver those consents to DOR in the manner required by Section 228 of the DGCL as soon as practicable thereafter. When the Solicitor Proposals for which consents are given become effective, a stockholder will be unable to revoke his or her consent.

If the Solicitor Proposals become effective, DOR will be required by the DGCL, to promptly notify by mail the stockholders who have not consented to the Solicitor Proposals.

Consents may only be executed by stockholders of record at the close of business on the Record Date. To the knowledge of the Solicitor, as of the close of business on the Record Date there were outstanding approximately 20,825,710 shares of Common Stock and 1,469,404 shares of Preferred Stock. Given that the Solicitor owns in the aggregate shares accounting for less than 4% of the voting power of the Stock, consents of stockholders owning approximately 47% of the voting power of the outstanding shares of Stock other than those owned by the Solicitor on the Record Date are still required to adopt the Solicitor Proposals. Since the Solicitor must receive consents from the holders of a majority of the voting power represented by DOR's outstanding shares in order for the Solicitor Proposals to be adopted, a broker non-vote or direction to withhold authority to vote on the consent form will have the same effect as a "no" vote with respect to the Solicitor's solicitation.

### Consent Form Special Instructions

If you were a record holder as of the close of business on the Record Date, you may elect to consent to, withhold consent or abstain with respect to each Solicitor Proposal by marking the "CONSENT," "WITHHOLD CONSENT," or "ABSTAIN" box, as applicable, underneath EACH Solicitor Proposal on the accompanying blue consent form and signing, dating and returning it promptly in the enclosed postage-paid envelope. Each consent form will be voted in accordance with the stockholder's instruction on that consent form. As to the Solicitor Proposals set forth herein, stockholders may consent to an individual Solicitor Proposal or may withhold their consent by marking the proper box in the consent form. If any stockholder who has executed and returned the blue consent form has failed to check a box marked "CONSENT," "WITHHOLD CONSENT," or "ABSTAIN" for any or all of the Solicitor Proposals, that stockholder's consent form will be voted in favor of that Solicitor Proposal or those Solicitor Proposals. If the enclosed consent form is signed and returned and no direction is given, it will be voted in favor of all of the Solicitor Proposals. If the consent form is signed and returned and not dated, it will be dated on or about the date it is received.

The Solicitor recommends that you consent to each of the Solicitor Proposals. Your consent is important. Please mark, sign and date the enclosed blue consent form and return it promptly in the enclosed postage-paid envelope to the address set forth under "Summary of Consent Procedure." Failure to return

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your consent form will have the same effect as voting against the Solicitor Proposals.

If your shares are held in the name of a brokerage firm, bank nominee or other institution, you should contact the person responsible for your account and give instructions for the consent form representing your shares to be marked, dated, signed and mailed. Only that institution can execute a consent form with respect to your shares held in the name of the institution and only upon receipt of specific instructions from you. The Solicitor urges you to confirm in writing your instructions to the person responsible for your account and to provide a copy of those instructions to Steve H. Kanzer at the address set forth under "Summary of Consent Procedure" so that the Solicitor is aware of all instructions given and can attempt to ensure that such instructions are followed.

The Solicitor urges each stockholder to ensure that the record holder of his or her shares marks, signs, dates and returns the enclosed blue consent form as soon as possible.

### REVOCATION; COSTS OF CONSENT SOLICITATION

A consent executed by a stockholder may be revoked at any time before its exercise by submitting (i) a written, dated revocation of that consent or (ii) a later dated consent covering the same shares. A revocation may be in any written form validly signed by the record holder as long as it clearly states that the consent previously given is no longer effective and must be executed and delivered prior to the time that the action authorized by the executed consent is taken. The revocation may be delivered to Steve H. Kanzer, c/o Accredited Ventures, Inc. 801 Brickell Avenue, Suite 900, Miami, FL 33131.

The purpose of the Solicitor's Proposals being made by the Solicitor in this Consent Statement is to advance the interests of all of DOR's stockholders. Therefore, the Solicitor believes that his expenses in connection with the consent solicitation, which are being paid by the Solicitor, should be reimbursed by DOR. The Solicitor intend to seek reimbursement of their expenses from DOR if the Solicitor Proposals become effective. This request will not be submitted to a stockholder vote. Costs related to the solicitation of consents to the Solicitor Proposals include expenditures for attorneys and postage and are expected to aggregate approximately \$\_\_\_\_. To date, the Solicitor have incurred costs of approximately \$\_\_\_\_. The actual costs and expenses could be materially different than the estimate set for above, and, in particular, could be substantially higher if for any reason litigation is instituted in connection with the matters related to this Consent Statement.

Upon the effectiveness of this Proxy Statement, the Solicitor plans to retain a proxy solicitation firm to aid in the assistance in contacting DOR stockholders.

Your consent is important. No matter how many or how few shares you own, please consent to the Solicitor Proposals by marking, sign, dating, and mailing the enclosed blue consent form promptly.

Steve H. Kanzer

May 29, 2002

ANNEX 1

### SECURITY OWNERSHIP OF NOMINEES AND THE SOLICITOR

The table below sets forth information regarding the beneficial ownership

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of the Company's common stock and Series B preferred stock as of March 25, 2002, by the following Nominees and the Solicitor.

Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities. Shares of the Company's common stock that are subject to warrants, options or other convertible securities that are presently exercisable or exercisable within 60 days of May 29, 2002 are deemed to be outstanding and beneficially owned by the person holding the warrants or stock options for the purpose of computing the percentage of ownership of that person, but are not treated as outstanding for the purpose of computing the percentage of any other person. Unless otherwise indicated, each person has sole investment and voting power with respect to the shares shown below. As of May 29, 2002, the Company had 20,825,710 shares of common stock outstanding.

Name and Address of Beneficial Owner -----	Beneficially Owned -----	Common Stock Percent of Class -----	Series B Conve Preferre Beneficial -----
Steve H. Kanzer (1) c/o Accredited Ventures, Inc. 801 Brickell Avenue Suite 900 Miami, FL 33131	808,434	3.62%	
Gilbert Goldstein (2) c/o G&G Enterprises, Inc. 13161 Burgundy Dr. South Palm Beach Gardens, FL 33410	50,423	*	
Larry J. Kessel, M.D. (3) 8200 Henry Avenue, Suite G-1 Philadelphia, PA 19128	12,500	*	
Peter Salomon, M.D., FACG 5258 Linton Blvd., Suite 202 Delray Beach, FL 33433	0	*	
All Nominees and the Solicitor as a group (4 persons)	858,857	3.86%	

\* Represents less than 1% of outstanding common stock or voting power.

- (1) Includes 416,800 shares of common stock issuable upon the exercise within 60 days of the Record Date.
- (2) Excludes 16,807 shares of common stock owned by Mr. Goldstein's adult children as to which Mr. Goldstein disclaims beneficial ownership.
- (3) Includes 12,500 shares of common stock owned by Dr. Kessel's wife as to which Dr. Kessel disclaims beneficial ownership.

DOR BIOPHARMA, INC.

CONSENT OF STOCKHOLDER TO ACTION WITHOUT A MEETING

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THIS CONSENT IS SOLICITED BY  
STEVE H. KANZER (THE "SOLICITOR")

Unless otherwise indicated below, the undersigned, a stockholder on May 29, 2002 (the "Record Date") of DOR Biopharma, Inc. ("DOR"), hereby consents, pursuant to Section 228 of the General Corporation Law of the State of Delaware, with respect to all shares of Common Stock, par value \$0.001 per share, of DOR (the "Common Stock") and Series B Convertible Preferred Stock, par value \$0.05 per share, of DOR (the "Preferred Stock," and together with the Common Stock, the "Stock"), held by the undersigned, to each of the following actions without a meeting, without prior notice and without a vote.

THE SOLICITOR STRONGLY RECOMMEND THAT YOU CONSENT TO THE FOLLOWING PROPOSALS.

- 1. (1) each current member of the Board of Directors of DOR, other than Steve H. Kanzer, Paul Rubin, M.D., Richard Dunning, Peter Kliem, Guy Rico, and Steven Thornton (the "Remaining Directors"), and (ii) any other person or persons (other than the persons elected pursuant to this consent) elected or appointed to the Board of Directors prior to the effective time of this stockholder action in addition to or in lieu of any of such current members (including any persons elected or appointed in lieu of the Remaining Directors) to fill any newly-created directorship or vacancy on the Board of Directors or otherwise.

CONSENT             WITHHOLD CONSENT             ABSTAIN

- 2. Resolved that Gilbert Goldstein, Larry J. Kessel, M.D. and Peter Salomon, M.D. (collectively, the "Nominees") as directors of DOR to serve until their respective successors are duly elected and qualified.

CONSENT             WITHHOLD CONSENT             ABSTAIN

(To withhold consent to the election of either Dr. Kessel, or Dr. Salomon, or Mr. Goldstein, write his name in the following space:\_\_\_\_\_.)

- 3. Resolved, that all By-Laws adopted subsequent to May 29, 2002, and prior to the effectiveness of this resolution are null and void and of no force and effect.

CONSENT             WITHHOLD CONSENT             ABSTAIN

To consent, withhold consent or abstain from consenting to the proposals set forth above, check the appropriate boxes above. If no box is marked above with respect to any Proposal, you will be deemed to have consented to that Proposal.

Call for a Special Meeting of Stockholders

Resolved, that the stockholders owning a majority of the shares of capital stock of DOR issued and outstanding as of May 29, 2002 do hereby call for a special meeting of stockholders at 10:00am central time on the first business day that is twenty (20) days after the date on which Steve H. Kanzer receives a number of consents constituting a majority of the shares of capital stock of DOR as of May 29, 2002 for the purpose of considering the Solicitor Proposals, unless such proposals are adopted by written consent in lieu of a meeting.

CONSENT             WITHHOLD CONSENT             ABSTAIN

Dated:\_\_\_\_\_, 2002

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---

(Signature)

---

(Title or authority, if applicable)

---

(Signature if held jointly)

Please sign your name exactly as it appears on this consent. If the shares are registered in more than one name, the signature of each person in whose name the shares are registered is required. A corporation should sign in its full corporate name, with a duly authorized officer signing on behalf of the corporation and stating his or her title. Trustees, guardians, executors, and administrators should sign in their official capacity, giving their full title as such. A partnership should sign in its partnership name, with an authorized person signing on behalf of the partnership. This consent serves to vote all shares to which the signatory is entitled.

THIS CONSENT SHALL ONLY BE VALID IF DELIVERED TO STEVE H. KANZER AND SUBSEQUENTLY DELIVERED TO DOR.

PLEASE DATE, SIGN AND MAIL THE CONSENT PROMPTLY, USING THE ENCLOSED ENVELOPE.