SPECTRUM LABORATORIES INC /CA
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DATED SEPTEMBER __, 2005]

SPECTRUM LABORATORIES, INC.

18617 BROADWICK
RANCHO DOMINGUEZ, CALIFORNIA 90220

INFORMATION STATEMENT

To the Stockholders of Spectrum Laboratories, Inc.

This Information Statement is being mailed to our stockholders on September ___, 2005 to advise them that Spectrum Laboratories, Inc. ("Spectrum") has decided to amend its Certificate of Incorporation to effectuate a 1 to 25,000 reverse stock split. As a result of the reverse stock split, Spectrum will have only three stockholders. The common stock of Spectrum will cease to be listed on the OTC Bulletin Board after the reverse split, and Spectrum will cease to file periodic reports with the Securities and Exchange Commission. The reverse stock split has been approved unanimously by the Board of Directors at a meeting on October 6, 2004 and by holders of 98.4% of the outstanding shares of Common Stock by written consent pursuant to the Delaware General Business Law. Spectrum plans to amend its certificate of incorporation on or about the date of the mailing of this Information Statement.

WE ARE NOT ASKING YOU FOR A PROXY, AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

THIS TRANSACTION HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE FAIRNESS OR MERITS OF THE TRANSACTION NOR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

Sincerely,

Roy T. Eddleman
Chief Executive Officer

September _____, 2005

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NOTICE OF THE REVERSE STOCK SPLIT

AGREEMENT BY THE WRITTEN CONSENT OF THE MAJORITY STOCKHOLDERS

Approval of the 1 TO 25,000 reverse stock split required the vote or written consent of the holders of a majority of the outstanding shares of Spectrum common stock entitled to vote at an annual or special meeting of stockholders.

On October 6, 2004, holders of 5,230,048 shares representing 98.4 % of the outstanding shares entitled to vote approved the reverse stock split and executed a written consent pursuant to which they adopted the common stock. On that date, 5,312,468 shares of Spectrum common stock were outstanding and the shareholders executing the consent, Roy T. Eddleman, Thomas Girardi and Walter Lack, also constitute a majority of the Board of Directors of the Corporation.

This Information Statement notifies Spectrum's stockholders that stockholder adoption of the reverse stock split has been obtained in accordance with Section 228 of the Delaware General Corporation Law. As permitted by the Delaware General Corporation Law, no meeting of Spectrum's stockholders is being held to vote on the reverse stock split.

Stockholders owning less than 25,000 shares prior to the reverse stock split will receive a cash payment of $2.56 for each share of stock. Stockholders owning more than 25,000 shares shall receive a cash payment of $2.56 per share for each share representing a fractional interest.

YOU ARE ADVISED TO REVIEW CAREFULLY THE ENTIRE INFORMATION STATEMENT, INCLUDING ALL APPENDICES TO THE INFORMATION STATEMENT. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS TO YOU EXCEPT FOR THE STATEMENTS THAT ARE CONTAINED IN THIS INFORMATION STATEMENT, AND YOU SHOULD NOT RELY UPON SUCH OTHER INFORMATION OR STATEMENTS.

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SUMMARY TERM SHEET

Purpose of the Reverse Stock Split

The primary reason for the Reverse Stock Split is to bring the number of holders of the Company's common stock below 300 so that the Company will no longer have the expense of filing ongoing reports with the Securities and Exchange Commission ("SEC"). The Company has decided to do a reverse stock split as the method to reduce the number of shareholders, since this method provides shareholders owning less than 25,000 shares of the Company's currently outstanding common stock the opportunity to dispose of their shares in a simple manner, at a favorable price and without having to pay brokerage commissions. Aside from the three shareholders who have approved the transaction and own 98.4% of the issued and outstanding account, the only other holder of any significance was a depository account holding in excess of 20,000 shares for what the Company believes to be additional small shareholders. The ratio of 1-for-25,000 was selected in order to maximize the number of shareholders (record and beneficial owners) who could be cashed out. See SPECIAL FACTORS -- Purpose of the Reverse Stock Split.

Terms of the Reverse Stock Split

As used throughout this Information Statement, the term "Reverse Stock Split" refers to a transaction consisting of the following steps:

- Effective upon the filing of an amendment to Spectrum's Certificate of Incorporation, we will undertake a 1-for-25,000 reverse stock split of our common stock, pursuant to which a holder of 25,000 shares of our common stock immediately before the reverse stock split will hold one share of our common stock immediately after the Reverse Stock Split.

- Any shareholder owning less than 25,000 shares of our common stock in any discrete account immediately before the reverse stock split will receive cash in exchange for the resulting fractional share of that common stock and will no longer be a shareholder of Spectrum. We will pay each of these shareholders an amount equal to $2.56 per share of our common stock held by them immediately before the reverse stock split.

- Shareholders owning more than 25,000 shares will receive a payment of $2.56 per share for shares held prior to the Reverse Stock Split not evenly divisible by 25,000.

- The board of directors made this determination in good faith, based upon a fairness opinion received by Seidman & Co., an independent financial valuation company, as described in greater detail in the section of this Information Statement titled, "SPECIAL FACTORS" and "FAIRNESS OF THE REVERSE STOCK SPLIT."

EFFECT OF GOING PRIVATE TRANSACTION

Following the reverse stock split, we will have only 3 record shareholders and, as a result, we intend to terminate our status as a reporting company under the provisions of the 1934 Act. This will mean that we will no longer be required to file reports with the SEC or be classified as a public company. Shares will no longer be quoted on the OTC Bulletin Board as a result of going private, there will be less information publicly available about the Company. However, the shareholders are all directors and have access to

information. See SPECIAL FACTORS -- Effects of the Reverse Stock Split.

REMAINING SHAREHOLDERS

As a result of the transaction the Company will have three (3) shareholders, Roy T. Eddleman, Thomas Girardi and Walter Lack, each of whom is also currently a director. Mr. Eddleman is also the CEO. Together they will own 100% of the outstanding shares.

WHY THE COMPANY IS GOING PRIVATE

Over the past five (5) years, trading in the Company's common stock has been extremely light averaging four or five trades per quarter and only 1.6% of the Company's shares are in the hands of the public. As a result, Company shares are quoted in the "OTC Bulletin Board" with no expectation of the shares ever trading on larger, more active exchanges such as the NASDAQ. Furthermore, the Company has not in the past and does not anticipate in the future using shares of its common stock for acquisition purposes, stock dividends or other uses for which a public traded stock would be advantageous. Due to the foregoing, the Company no longer felt that the substantial cost both in time and money required to maintain the Company's reporting obligations under the 1934 Act were justified given the minimal benefits accruing to the Company. Furthermore, in light of certain recent legislative initiatives including the Sarbanes-Oxley Act of 2002, the Company anticipates that its compliance costs and professional fees related to remaining a reporting company will be increase substantially. As a result, the Company's board of directors determined that it was in the Company's best interest to implement the Reverse Stock Split at this time and, thereafter, terminate its reporting obligations under the 1934 Act. See SPECIAL FACTORS - "Reasons for the Reverse Stock Split."

WHY A REVERSE STOCK SPLIT WAS DETERMINED APPROPRIATE

The Board of Directors considered various alternative methods of going private but decided that the Reverse Stock Split format provided the best alternative. The Reverse Stock Split format would (i) insure that the number of remaining shareholders would enable the Company to delist; (ii) accomplish the transaction with related expenses that were deemed reasonable relative to the size of the transaction and the anticipated savings; and (iii) provide shareholders owning less than 25,000 shares of common stock with a convenient and fair cash-out of their interest in the Company. At the present time, the Company has sufficient cash resources to pay out its minority shareholders without borrowing or financing the pay out. See SPECIAL FACTORS and EXCHANGE OF STOCK CERTIFICATES and PAYMENT.

FAIRNESS TO UNAFFILIATED SHAREHOLDERS

The Company and Roy Eddleman, Thomas Girardi and Walter Lack in their individual capacities believe that the Reverse Stock Split is substantially and procedurally fair to the Company's unaffiliated shareholders who will become entitled to receive a cash payment of $2.56 per share. There are no unaffiliated shareholders who will be receiving shares. The Board has unanimously approved the Reverse stock Split. The Company and Messrs. Eddleman, Girardi and Lack in making this determination relied upon a financial opinion prepared by Seidman and Co. and considered other factors such as net book value, liquidation value, going concern and lack of approval by unaffiliated shareholders and failure to obtain a representative. Throughout this document the terms "unaffiliated stockholders", "public minority shareholders" and "minority common stockholder" are used interchangeably by the company Seidman & Co.

SHAREHOLDER VOTE REQUIRED

Under Delaware law, the amendment to the Certificate of Incorporation to accomplish the Reverse Stock Split requires the affirmative vote of a majority of the shares of common stock outstanding and entitled to vote at the meeting. Three shareholders owning 98.4% of the issued and outstanding shares have approved the transaction by written consent. Under Delaware law, and pursuant to the Company's charter documents, it is not necessary for the remaining shareholders to consent or vote their shares to amendment to the Certificate of Incorporation.

DISSENTER'S RIGHTS

Delaware law and the Company's charter and by-laws do not provide for dissenter's rights in conjunction with the proposed Reverse Stock Split.

EFFECTIVE DATE

The Reverse Stock Split would be effective upon the filing of an amendment to our Certificate of Incorporation with the Secretary of State of Delaware. It is anticipated that this filing will be made as soon as possible after the expiration of a twenty (20) day period from the date of mailing of this Information Statement.

TAX CONSEQUENCES

The anticipated federal income tax consequences to both continuing shareholders and those shareholders being cashed-out in the Reverse Stock Split transaction is set forth under the section "FEDERAL INCOME TAX CONSEQUENCES OF REVERSE STOCK SPLIT."

INTERESTS OF CERTAIN PERSONS

Messrs, Eddleman, Girardi and Lack who constitute a majority of his Board of Directors own 98,4% of the Company's outstanding common stock and after the reverse stock splits will own 100%. Mr. Eddleman is the Chief Executive Officer.

SPECIAL FACTORS

PURPOSE OF REVERSE STOCK SPLIT

The purpose of the Reverse Stock Split is to acquire for cash the equity interests in Spectrum of each of the approximately 450 record holders of common stock [excluding the three holders of 98.4% ("Majority Share Holders")], as well as an indeterminate number of beneficial holders of common stock held in the names of nominees, that, as of the effective date of the Reverse Stock Split (as described below), own fewer than 25,000 shares of common stock. The purchase price is $2.56 per share of common stock owned immediately before the Reverse Stock Split.

By purchasing the shares of the holders of fewer than 25,000 shares, we will:

- Eliminate the cost of maintaining small shareholder accounts;

- Permit these small shareholders to receive cash for all of their shares without having to pay brokerage commissions, as we will pay all transaction costs in connection with the Reverse Stock Split; and

- Reduce the number of Spectrum's shareholders of record to 3 persons, which will allow us to terminate our reporting obligations under the 1934 Act.

REASONS FOR REVERSE STOCK SPLIT

We incur direct and indirect costs associated with compliance with the Securities and Exchange Commission's filing and reporting requirements imposed on public companies. The cost of this compliance is expected to increase further with the implementation of the provisions of the Sarbanes-Oxley Act of 2002 by the Company. We also incur substantial indirect costs as a result of, among other things, the executive time expended to prepare and review our public filings. Since we have relatively few executive personnel, these indirect costs can be substantial. We estimate that it costs the Company $300,000 per year to be a public Company and that we would save $170,000 per year if we were private. In addition, the public disclosure we are required to make under the 1934 Act places us at a competitive disadvantage by providing our non-public competitors with detailed information about our operations and financial results while we do not have access to similar information about these competitors.

We have not derived significant benefits from maintaining a public trading market. Our weekly trading volume during 2004 has averaged less than 360 shares, with no buying or selling occurring on most days. Our board of directors does not presently intend to raise capital through sales of securities in a public offering or to acquire other business entities using stock as consideration. Accordingly, we are not likely to make use of any advantage for raising capital, effecting acquisitions or other purposes that our status as a reporting company may offer.

The Company believes that there is no liquidity for the holders of shares. With a public float of 1.6% and a low, average trading volume, the Company does not believe that a substantive number of its public shareholders would ever be able to liquidate their holdings at any time.

In light of these circumstances, our board of directors believes that it is in our best interests to undertake the Reverse Stock Split at this time to enable us to deregister our common stock under the 1934 Act, which will relieve us of the administrative burden, cost and competitive disadvantages associated with filing reports and otherwise complying with the requirements imposed under the 1934 Act.

EFFECTS OF REVERSE STOCK SPLIT ON SHAREHOLDERS WITH FEWER THAN 25,000 SHARES OF COMMON STOCK IN A DISCRETE ACCOUNT

Shareholders holding fewer than 25,000 shares of our common stock immediately before the Reverse Stock Split (referred to as "Cashed Out Shareholders"):

- Will not receive a fractional share of Spectrum common stock as a result of the Reverse Stock Split;

- Will instead receive cash equal to $2.56 per share for each

share of our common stock held immediately before the Reverse Stock Split;

- Will have no further ownership interest in Spectrum with respect to cashed out shares, and will no longer be entitled to vote as shareholders or share in our assets, earnings or profits;

- Will not have to pay any service charges or brokerage commissions in connection with the Reverse Stock Split;

- Will receive cash for Spectrum common stock held immediately before the Reverse Stock Split in accordance with the procedures described in this Information Statement; and

- Will not receive any interest on cash payments owed as a result of the Reverse Stock Split.

All amounts owed to Cashed Out Shareholders as a result of the Reverse Stock Split will be subject to applicable federal and state income taxes and state abandoned property laws.

EFFECT OF REVERSE STOCK SPLIT ON MAJORITY SHAREHOLDERS

If the Reverse Stock Split is implemented, the Majority Shareholders:

- Will receive one new share of Spectrum common stock for every 25,000 shares of common stock held immediately before the Reverse Stock Split. Any resulting fractional shares of common stock shall entitled to receive payment of $2.56 per share;

- Mr. Eddleman's shares will be reduced from 4,320,128 to 173. Mr. Girardi's shares will be reduced from 800,002 to 32. Mr. Lack's shares will be reduced from 109,918 to 4. Eddleman, Girardi and Lack will receive respectively cash payments of $51,527.68, $5.12 and $25,390.08 for fractional shares at the rate of $2.56 per share

- Will be the only persons entitled to vote as shareholders or share in our assets, earnings, or profits.

It is expected that upon the completion of the Reverse Stock Split, our directors and executive officers will own approximately 209 shares or 100% of our common stock of the then issued and outstanding shares of our common stock, as compared to 5,230,048 shares and approximately 98.4% prior to the Reverse Stock Split. Our common stock will have an approximate book value of $1.93 per share prior to and $49,000 per share after the Reverse Stock Split.

EFFECT OF REVERSE STOCK SPLIT ON MARKET FOR SHARES

Our common stock is currently quoted on the OTC Bulletin Board, a centralized quotation service that collects and publishes market maker quotes for OTC securities. In the event that we terminate the registration of our common stock under the 1934 Act, our common stock will cease to be eligible for trading on any securities market.

Shares no longer outstanding as a result of the Reverse Stock Split

will revert back to authorized but unissued shares of the Company. The Company does not anticipate issuing shares in the foreseeable future except with regard to the exercise of outstanding options or other compensatory purposes.

EFFECT OF THE REVERSE STOCK SPLIT ON SPECTRUM

The Reverse Stock Split will affect the public registration of our common stock with the Securities and Exchange Commission under the 1934 Act, as we intend to apply for termination of such registration as soon as practicable after the Reverse Stock Split.

The Reverse Stock Split will reduce significantly the number of Spectrum shareholders to three (3) and the number of outstanding shares of our common stock to 209. The completion of the Reverse Stock Split and the deregistration of our common stock under the 1934 Act will render our common stock ineligible for listing on any stock exchange including the OTC Bulletin Board.

We have no current plans to issue common stock other than pursuant to our existing stock option plans, but we reserve the right to do so at any time and from time to time at such prices and on such terms as our board of directors determines to be in the best interests of Spectrum and its remaining shareholders. Continuing Shareholders will not have any preemptive or other preferential rights to purchase any of our stock that we may issue in the future, unless such rights are specifically granted to the shareholders.

ALTERNATIVES TO REVERSE STOCK SPLIT

Our Board of Directors considered other alternative methods for reverting to the status of a private company including a merger into a privately held company or an issuer tender offer in addition to a reverse stock split transaction. The Board felt that the cost of setting up a private company was expensive in view of the size of the transaction. In addition, real property leases of the Company require landlord approval for mergers and the Board did not want to deal with a landlord given the size of the transaction. Accordingly, the Board rejected the alternative of a merger. A tender offer was also rejected since the Company has a number of small shareholders with 82,000 shares held by approximately 450 people and the Board felt that a number would not even respond, making a reverse stock split still necessary. After an initial evaluation of these alternative methods, the board of directors determined that the Reverse Stock Split transaction was the least costly and most expeditious means to take Spectrum private. Other than its initial evaluation, the Board did not spend any additional time on investigating alternatives to a reverse stock split for taking the Company private. The Board of Directors did not consider selling the company to a third party since the Majority Shareholders have no interest in doing so.

CONFLICTS OF INTEREST

The majority of the Board (Messrs, Eddleman, Girard and Lack) who own 98.4% before the reverse stock split and will own 100%, after the reverse stock split have a potential conflict of interest in the transaction. This potential conflict was another reason the Board utilized an independent financial advisor to render a fairness opinion.

OPINION

In order to provide a fair and unbiased consideration of this going

private transaction, our board of directors and Messrs. Eddleman, Girard and Lack individually relied upon a fairness opinion prepared by Seidman & Co., Inc. as well as other factors. See "Fairness of Reverse Stock Split" and Appendix A, Seidman Opinion.

Throughout the discussions on this issue, Mr. Eddleman took the lead and was the chief proponent for going public. All Board decisions on the subject were, however, unanimous.

BENEFIT TO PARTIES

Spectrum anticipates saving approximately $170,000 per year and will no longer incur the expense of compliance. Employees who spend time on compliance will be able to work on other activities. The Cashed-Out Shareholders will receive $2.56 per share and will not have to pay brokerage commissions. The Majority Shareholders will own 100% of the Company rather than 98.4%. The net book value of their shares will increase from $1.93 per share prior to the reverse stock split to $49,000 after. They will be entitled to 100% of the net earnings.

DETRIMENTS TO THE PARTIES

Spectrum will no longer have access to public markets and may find it difficult to raise capital if it needs to do so. The Majority Shareholders will lose the ability to sell shares in the open market. The Cashed-Out Shareholders will not be able to participate in the future growth of the Company and any increase in market value of their shares.

FAIRNESS OF THE REVERSE STOCK SPLIT

In July, 2004, the Board began exploring the concept of taking the Company private. Telephone discussions were had between Roy T. Eddleman, Chief Executive Officer, Board member and majority shareholder, and Cowan, Liebowitz and Latman, PC ("CLL"), the Company's outside legal counsel, to ascertain, among other things, what would be the best strategy for the Company going forward; being a publicly traded entity or a private entity. In deciding to go private, the Board considered the following matters: (1) the breakdown of the beneficial ownership of the Company's outstanding Common Stock before and after implementation of the proposed reverse stock split, (2) the stockholder concentration that would result from the proposed reverse stock split, (3) the projected costs to the Company of maintaining its status as a public company and the assumptions underlying those projections, (4) the projected costs to the Company of implementing the proposed reverse stock split and the assumptions underlying those projections, (5) the advantages and disadvantages of the

alternative methods of taking the Company private, (6) the ability of stockholders to purchase additional shares prior to the implementation of the proposed reverse stock split in light of the limited liquidity of the trading market for the Company's Common Stock, (7) the impact that the implementation of the proposed reverse stock split would have on the Company's business arrangements, and (8) the steps to be taken by the Company to minimize the adverse impact of predatory derivative actions that may arise from the announcement of a decision to implement the proposed reverse stock split. Various methods to accomplish a going private transaction were reviewed including an examination of a cash-out merger, a self tender offer followed by a cash-out merger, a reverse stock split, and a sale of the Company's assets followed by dissolution of the Company. These matters were discussed by the

Board at its meeting on July 19, 2004 at which meeting all members of the Board were present. At that meeting, the Board determined that if the Company were to go private, a reverse stock split was the preferable method since it was the least costly method and would result in the shareholders were paid a fair amount without paying brokerage commissions. Mr. Eddleman, the Company's largest shareholder, was the chief proponent of the Company going private and took the lead in discussing the issues at Board meetings. All decisions of the Board concerning the decision to become a private company were unanimous and at this meeting, the Board concluded that there were no compelling reasons for the Company to remain a public company.

The Board also considered the issue of Board member independence at its July 19, 2004 Board meeting at which all Board members were present. Out of a five member Board, only two members were not stockholders. Such members, however, did possess small numbers of unexercised stock options. The Board determined that in order to avoid any appearance of impropriety, it was in the best interests of the unaffiliated holders of the Company's Common Stock, to determine that no Board member was independent. Accordingly, the Board concluded that a special committee of directors could not be formed. This position was supported by advice to the Board from the Company's legal counsel.

The Board also considered whether it was necessary to seek the vote of unaffiliated shareholders for the transaction or to cause a special representative to be appointed to represent the interests of the public shareholders. The Board including each of the four members who were not employees unanimously concluded that since only 1.6% of the outstanding shares were held by the public, that the public shareholders votes could not change the outcome of the going private process and, therefore, going though time and expense of a proxy solicitation or dealing with a representative was not the best use of corporate resources.

The Board determined at the meeting that if the Company were to engage in a going private transaction, it would be necessary and appropriate to hire an independent investment banker to render a fairness opinion to the Board with respect to the values to be paid for any fractional shares of Common Stock that may exist after a reverse stock split. The Board authorized Mr. Eddleman to contact an investment banker.

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The Board also determined that a one to 25,000 reverse stock split was appropriate. In making this conclusion the Board relied on the fact that the only other substantial record holder (in excess of 20,000 shares but less than 25,000) was a depository account and the reverse stock split would enable the beneficial holders of shared held in such account to also receive cash consideration.

Subsequent to that meeting, the Chief Executive Officer directed company counsel to contact Seidman and Company, an investment banking firm familiar to him about the possibility of taking the Company private, and the aspects of rendering a fairness opinion on such a transaction. Seidman is a well known investment banking firm experienced in rendering such opinions. Seidman had previously advised the Company in a merger transaction eight years prior so that the Board was aware of Seidman's competence and experience. Mr. Eddleman determined that he was satisfied with Seidman's competence and experience, and did not want to interview other candidates or to contact any other company about a fairness opinion. There was no other business relationship among the Company, Seidman, and their respective officers and directors other than the prior

engagement. This telephone conversation was an informal fact finding session used to gather information from Seidman and Company about the processes with which it had been involved in taking a publicly held corporation private, the experience Seidman and Company had with taking a publicly held corporation private, the time frames associated with the various methods of taking a publicly held corporation private, the type information about the Company that would be required by Seidman and Company to render a fairness opinion, public information about other corporations that were in the process of going private, general information about premiums paid to cashed out shareholders, Seidman's availability to render services to the Company if it were to proceed with a going private transaction, to ascertain whether Seidman and Company had any conflict of interest representing the Company, and the anticipated costs to be charged by Seidman and Company to the Company if it were to proceed with a going private transaction. No written material was provided by Seidman and Company to the Company in connection with this telephone conversation. Company counsel reported to Mr. Eddleman concerning the foregoing matter. At its August 20, 2004 Meeting, at which all members were present, Mr. Eddleman reviewed the information provided by Seidman and requested that the Board approve the appointment of Seidman. The Board then determined that Seidman and Company had the appropriate expertise and experience to advise on the fairness of the transaction and determined it was not necessary to interview any other candidates. On August 20, 2004, the Company engaged Seidman.

At the same meeting, the Board continued its going private discussions. In deciding to go private, the Board considered the following matters: (1) the breakdown of the beneficial ownership of the Company's outstanding Common Stock before and after implementation of the proposed reverse stock split, (2) the stockholder concentration that would result from the proposed reverse stock split, (3) the projected costs to the Company of maintaining its status as a public company and the assumptions underlying those projections, (4) the projected costs to the Company of implementing the proposed reverse stock split and the assumptions underlying those projections, (5) the advantages and disadvantages of the alternative methods of taking the Company private, (6) the ability of stockholders to purchase additional shares prior to the implementation of the proposed reverse stock split in light of the limited liquidity of the trading market for the Company's Common Stock, (7) the impact that the implementation of the proposed reverse stock split would have on the Company's business arrangements, and (8) the steps to be taken by the Company to minimize the adverse impact of predatory derivative actions that may arise from the announcement of a decision to implement the proposed reverse stock split.

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At the meeting on September 6, 2004 the Board and Messrs. Eddleman, Girardi and Lack discussed a price to be paid for shares. They noted that in the prior nine months since January 1, 2004 there had been only fifteen reported sales and purchase transactions. Even though the market was limited and trading was small they felt that the price an unaffiliated third party would pay for a share was an important factor, especially since information to make an investment was available to the public through the Company's filings with Securities and Exchange Commission under the 1934 Act. Thirteen transactions had occurred at various days and prices and two transactions on consecutive days for the same price of $2.10. The low price for the period was $1.70 (February 3) and the high price was $4.00(February 13). They were not aware of any event which could explain an increase of 170 percent in the stock price in nine days. They noted that $2.10 was the only price which at which two buyers and two sellers made trades at approximately the same time and they viewed the completion of the two transactions which appeared to be unrelated as a supporting a $2.10 price rather than looking at a single transaction.. They were aware of the fact that

minority shareholders received a premium over market price and Mr. Eddleman advised that a premium of approximately twenty percent above the market price was common. After discussion they unanimously decided to increase the price to $2.56 which was 22% more than the September 1st and September 2nd price. They did not employ any other analysis of price because they felt that a fairness opinion utilizing more sophisticated valuation techniques would confirm if the price was fair and after reviewing the opinion they would have the option of changing the price if they felt a change was needed. At this meeting and throughout the process of making final decisions, Mr. Eddleman the largest shareholder of the Company and its CEO took the lead in proposing and promoting the going private concept. All Board decisions on the issue, however, were unanimous and each of Messrs, Eddleman, Girardi and Lack, acting individually, and as a shareholder, approved all Board decisions as his own.

At a meeting on October 6th each of the Board, with all members present, reviewed the fairness opinion of Seidman and each of Messrs. Eddleman, Girardi and Lack analyzed the following additional factors:

Lack of Approval by Unaffiliated Shareholders. The Board and Messrs, Eddleman, Girardi and Lack individually considered the impact this factor had on fairness and concluded that the impact was small. As previously discussed the Board had decided not to solicit proxies to approve a going private transaction because of the cost and the fact that since approximately 80,000 shares were held by 400 people, they felt that a large number might not respond. Consequently they concluded that a solicitation of consent was too costly and impractical in relation to the size of the transaction. After considering these factors and the fact that an independent experts opinion was obtained, the Board concluded that lack of approval of unaffiliated shareholders was not a significant factor which mitigated against fairness of the transaction.

Failure to Retain a Representative. The Board and Messrs, Eddleman, Girardi and Lack considered whether failure to retain a representative for unaffiliated shareholders had an impact on fairness. The Board noted that the transaction was structured so that affiliated and unaffiliated shareholders were treated equally in that they would receive the same price of $2.56 per share for holdings under 25,000 a price which Seidman had concluded was fair from a financial point of view. There was no price to negotiate by such a representative. The Board and filing person also concluded that a third party representative would result in unnecessary additional costs in relative to the size of the transaction. The Board had received a fairness opinion from an independent expert. The Board and Messrs, Eddleman, Girardi and Lack concluded that based on the foregoing, that failure to retain a representative was not a strong factor which mitigated against fairness of the transaction.

Net Book Value. The net book value for the period ending September 25, 2004 was approximately $2.08 per share. Since that amount was less than the amount of $2.56 which the Board and Messrs, Eddleman, Girardi and Lack had approved, the net book value was not an important factor in determining fairness.

Liquidation Value. The Board and Messrs, Eddleman, Girardi and Lack did not consider liquidation value to be relevant. They felt that the Company's assets were fully deployed in the business and that if the assets were sold and the Company liquidated, the amount per share available for distribution would not be more than book value given the selling costs, commissions and taxes involved in a liquidation. The Company was prepared to pay a price in excess of book value so that book value was not relevant.

Going Concern Value. The Board and Messrs. Eddleman, Girardi and Lack concluded that the Seidman opinion adequately dealt with valuing the business as a going concern and that there was no additional discussion necessary.

Prior Stock Purchase by Director. The Board and filing persons concluded that the stock purchase by Mr. Lack in February, 2004 of 7,595 shares at a price of $2.52 per share had no relevance to the fairness of the transaction since the price offered to the shareholders $2.56 per share was higher.

Termination of Public Sale Opportunities. Following the reverse stock split and the deregistration of its common stock, the public market for shares of common stock will be eliminated. Stockholders will no longer have the option of selling their shares on the open market. However, the current public market for our common stock is highly illiquid; therefore, the Board and Messrs, Eddleman, Girardi and Lack individually, believe that any further loss of liquidity will have little effect on unaffiliated stockholders and will be outweighed by the benefits of going private. Additionally, the effect of further losses of liquidity will have the same effect on all of stockholders, both affiliated and unaffiliated.

Termination of Publicly Available Information. Upon termination of the registration of our common stock, the Company will no longer file, among other things, periodic reports with the SEC, and information regarding operations and financial results will no longer be available. Remaining stockholders, however, will have a limited right to obtain such information under Delaware law. The Board and Messrs, Eddleman, Girardi and Lack individually, do not believe this factor makes the transaction unfair to unaffiliated stockholders because any detriment that may result from termination of public filings will be offset by the benefits to the Company of no longer being a public company.

Inability to Participate in Future Increase in Value of our Common Stock. Shareholders who will be cashed out will have no further interest in the Company and thus will not have the opportunity to participate in the potential upside of any increase in the value of the common stock. However no increase can be reliably predicted and the Board received an opinion from an outside expert. After considering all of these factors, the Board and Messrs, Eddleman, Girardi and Lack individually, determined that this factor did not have a serious impact on fairness.

AFTER CONSIDERING ALL OF THE ABOVE FACTORS THE BOARD UNANIMOUSLY AND EACH OF MESSRS, EDDLEMAN, GIRARDI AND LACK INDIVIDUALLY CONCLUDED THAT THE REVERSE STOCK SPLIT IS SUBSTANTIALLY AND PROCEDURALLY FAIR TO THE COMPANY'S UNAFFILIATED SHAREHOLDERS. BOTH THE BOARD AND THE EACH OF MESSRS, EDDLEMAN, GIRARDI AND LACK ANALYZED THE SAME FACTORS IN REACHING THIS CONCLUSION.

On October 12, 2004, the Company issued a press release indicating that the Board had approved a reverse stock split using a ratio of one (1) share of common stock for 25,000 shares of existing Common Stock as part of a going private transaction and that fractional shares remaining after the reverse stock split would be purchased by the Company at $2.56 per share of pre-split Common Stock.

Other than the discussion had by the members of the Board and management described herein and occasional informal telephone conversations between directors, or directors and management, there has been no other

discussion or contacts made by any of the Company's officers or directors relating to the reverse stock split, or any similar type transactions during the last two (2) years. Neither the Company nor Messrs, Eddleman, Girardi and Lack are aware of any offer made by any unaffiliated person for (a) the merger or consolidation of the Company with or into any company or vice versa, (b) the sale or transfer of all or any substantive part of the assets of the Company, (c) a purchase of the Company's securities that would enable the holder to exercise control over the Company.

FAIRNESS OPINION

Seidman prepared a draft fairness opinion to the Board which was reviewed at the October 6th meeting. In connection with rendering its opinion as presented to the Spectrum Board of Directors, Seidman reviewed and analyzed, among other things, the following:

1. The terms of the proposed cash distribution to minority shareholders and reverse split;

2. Discussions with certain members of the Company's senior management (CEO and CFO) concerning the Company's business, operations, historical financial results, and future prospects;

3. The reported historical prices, trading multiples, and trading volumes of the common stock of the Company;

4. Publicly available financial data, stock market performance data, and trading multiples of companies which it deemed generally comparable to the Company;

5. Conditions in, and the outlook for, the laboratory equipment and supplies market of which Spectrum is a part;

6. Conditions in, and the outlook for the United States economy, interest rates and financial markets;

7. Other studies, analyses, and investigations as Seidman deemed appropriate.

In preparing the Seidman Opinion, Seidman assumed and relied upon the accuracy and completeness of the financial and other information used by it and it did not attempt independently to verify such information, nor did Seidman assume any responsibility to do so. Seidman also assumed that there was no material changes in the Company's assets, financial condition, results of operations, business or prospects since the date of the last financial statements made available to Seidman. Seidman did not visit or conduct a physical inspection of the properties and facilities of the Company, nor did it make or obtain any independent evaluation or appraisal of such properties and facilities. Seidman has also taken into account its assessment of general economic, market and financial conditions and its experience in similar transactions, as well as its experience in securities valuation in general. Seidman assumed the correctness of all legal advice rendered as to all legal matters related to the Company, the proposed transaction and related documents. Seidman has assumed that the proposed transaction will be completed in a manner that complies in all respects with the applicable provisions of the Securities Exchange Act of 1934 and all other applicable federal and state statutes, rules and regulations.

The Seidman Opinion was based upon economic, market, financial and other conditions as they exist and can be evaluated on the date of the opinion and does not address the fairness as a result of the proposed transaction on any other date.

In connection with rendering its opinion, Seidman performed a variety of financial analyses, including those summarized below. These analyses were presented to the Directors on September 30, 2004. The summary set forth below does not purport to be a complete description of the analyses performed by Seidman in this regard. Seidman also noted that the preparation of a fairness opinion involves various determinations as to the most appropriate and relevant methods of financial analysis and the application of these methods to the particular circumstances and, therefore, such an opinion is not readily susceptible to a partial analysis or summary description. Accordingly, Seidman advised the Board that notwithstanding the separate analyses summarized below, Seidman believes that its analyses must be considered as a whole and that selecting portions of its analyses and factors considered by it, without considering all of its analyses and factors, or attempting to ascribe relative weights to some or all of its analyses and factors, could create an incomplete view of the evaluation process underlying its opinion.

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Seidman reviewed the historical stock market performance of Spectrum Laboratories, Inc. on the Over-The-Counter Bulletin Board. This analysis indicated that the current pre-reverse split trading price for a share of Spectrum Laboratories, Inc. common stock was $2.10 as of the September 22, 2004, Valuation Date, and that the prices paid for a share of Spectrum Laboratories, inc. common stock during approximately the last 52 weeks ranged between a high of $4.00 and a low of $1.60 per share. It is noted that the price was at a pre-reverse split level of $4.00 per share for only three days, February 13, 17 and 18, 2004, and fell back to a level of $2.70 on 1,348 shares traded on February 19, 2004. There was no trading in the shares thereafter until March 17, when 178 shares traded, and the stock dropped to $2.30 a share. Thereafter, the shares traded within a range of $2.30 and $2.50 per share on only four days of trading on nominal volume until July 13, 2004, when the shares dropped to $2.05 per share from $2.50 per share on volume of 266 shares. On September 1, 2004, the shares rose from $2.05 to $2.10 per share on volume of 200 shares, remained at $2.10 per share on volume of 200 shares on September 2, 2004, and did not trade again through September 22, 2004.

The price of $2.56 per share represented a premium of approximately 22% over the latest transaction price of $2.10. In analyzing the appropriateness of the 22% premium, Seidman examined transaction control premium data obtained from the Mergerstat Control Premium Study for the year July 2, 2003 through June 30, 2004, which is the latest public data available from this source. Mergerstat includes all transactions where more than 50% of a company changes hands. During this subject time period, only one company sharing the same Standard Industrial Code as Spectrum was found to have completed a transaction, and the control premium for this company was 17.5%. Altogether, there were five companies generically related to Spectrum which had transactions during this period, and these companies had a 19.1% median control premium. In turn, there were six companies in various industries which went private during this subject time period, but these companies were found to be larger in size and more visible in the marketplace. These six companies had a 26.5% median control premium. Further, the Mergerstat Control Premium Study for the Second Quarter of 2004 reports 70 domestic transactions with a median control premium of 24.2%. In this connection, a study by the Centre for Management Buyout Research entitled

"Public to Private Takeovers and Market for Corporate Control" shows that premiums received by shareholders in firms "going private" are lower than those received by shareholders in other types of transactions. The authors of each of the studies referred to in this paragraph consented to use of their studies in this information statement.

Another test of fairness employed by Seidman is based on the comparison of the multiples at which the subject Spectrum minority shareholders would be selling shares relative to the multiples of selective publicly-traded market comparable companies. Using publicly available information, Seidman reviewed the stock price ratios as of September 22, 2004, of the following companies: Bio-Rad Laboratories, Inc., Millipore Corporation, New Brunswick Scientific Co., Inc., O.I. Corporation, Pall Corporation, Perkin Elmer, Inc., and Waters Corp., which are collectively referred to in this section as the "Comparable Companies." Seidman believes these companies are engaged in lines of business that are generally comparable to that of Spectrum. Five of the market comparable companies, however, are much larger than Spectrum, with annual revenues of approximately $1 billion or more annually. In contrast, Spectrum has annual revenues approximating $12.4 million. Two of the market comparable companies, New Brunswick Scientific and O.I. Corporation, are closer in size to Spectrum. New Brunswick has $56.6 million of annual revenues; O.I. Corp. has approximately $26.7 million of annual revenues.

Using these two most market comparable companies as the reference for determining the fairness of the price to be paid Spectrum minority shareholders, Seidman reviewed, among other things, price/latest book, price/3 year average revenues, price/3 year average operating cash flow, price/three year average operating income, price/average three year's pre-tax income, and, likewise, price/latest year's revenues, price/latest year's operating cash flow, price/latest year's operating income, and price/latest year's pre-tax income. Seidman compared the various capitalizing factors of the two most comparable companies from the publicly-traded universe with those of Spectrum. As is evident in the tables below, there is only one capitalizing measure for which that of Spectrum is lower, that of price/3 year average operating cash flow. (The price latest book value ratios of 1.53X and 1.54X are so close that Seidman felt they supported the view that Spectrum was lower in only one category). In the instance of all other capitalizing measures, both those relating to average three year operating data and that of latest year's, the multiples to be paid the shareholders of Spectrum were at approximately the same level or higher, notwithstanding lower Spectrum revenues and a smaller relative tangible net worth.

TABLE I

SPECTRUM LB

DERIVATION OF CAPITALIZED VALUE USING SELECTED COMPARABLE COMPANIES
MEDIAN PRICE MULTIPLES BASED ON 3-YEAR AVERAGE DATA

($000)

SPECTRUM LB Market Comparable Companies:	Price/ Latest Book	Price/ 3-Year Average Revenues	Price/ 3-Year Average Operating Cash Flow (EBITDA)	Price/ 3-Year Average Operatin Income (EBIT)
N B SCIENT	1.80 x	.84 x	13.53 x	21.28 x
O I CORP	1.28 x	.97 x	10.29 x	12.93 x
Median Capitalizing Factors for Selected Market Comparable Companies	1.54 x	.90 x	11.91 x	17.10 x
Capitalizing Multiples for Spectrum @ 22% premium ($2.56 per share)	1.53x	1.07 x	9.37 x	19.74 x

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TABLE II

SPECTRUM LB

DERIVATION OF CAPITALIZED VALUE USING SELECTED COMPARABLE COMPANIES
MEDIAN PRICE MULTIPLES BASED ON LATEST YEAR DATA
($000)

SPECTRUM LB Market Comparable Companies:	Price/ Latest Book	Price/ Latest Year Revenues	Price/ Latest Year Operating Cash Flow (EBITDA)	Price Lates Year Opera Incom (EBIT
N B SCIENT	1.80 x	.80 x	11.45 x	17.2
O I CORP	1.28 x	.91 x	7.96 x	9.5
Median Capitalizing Factors for Selected Market Comparable Companies	1.54 x	.86 x	9.70 x	13.3
Capitalizing Multiples for Spectrum @ 22% premium ($2.56 per share)	1.53 x	1.1 x	11.31 x	35.5

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Finally, Seidman attempted to apply a leveraged buyout analysis to the financial information supplied by Spectrum. In this instance, the indicated scenario at any reasonable derived multiple of projected 2004 EBITDA (earnings before interest, taxes, depreciation and amortization), results in a valuation which is less than that otherwise being offered to the Spectrum minority shareholders. The indicated capitalized value for the shares is 11.3x latest EBITDA. It is doubtful that for a leveraged buyout, more than 6x EBITDA would have been offered so applying this analysis, the fairness of the subject cash

distribution is indicated.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The following table sets forth certain information regarding the beneficial ownership of the Company's Common Stock at August 25, 2005 by (i) all persons (ii) all directors and nominees and (iii) all directors and nominees and officers of the Company as a group. On such date there were 5,312,468 shares outstanding:

	Pre-Split			Post-Spl
Name and Address	Amount and Nature Of Beneficial Ownership (1)		Percent of Class	Amount and Nature of Beneficial Ownership (1)
Roy T. Eddleman 18617 Broadwick Street Rancho Dominguez, CA 90220	4,320,128		81.3	173
Thomas V. Girardi, J.D. 1126 Wilshire Blvd. Los Angeles, CA 90017	800,002		15.1	32
Jay Henis, Ph.D. 501 Marford Drive St. Louis, MO 63141	20,000	(A)	0.4	
Walter J. Lack, J.D. 10100 Santa Monica Blvd. Los Angeles, CA 90067	109,918		2.1	4
Jack Whitescarver, Ph.D. 4301 Massachusetts Ave. NW #6002 Washington, D.C. 20016	20,000	(A)	0.4	
F. Jesus Martinez 18617 Broadwick Street Rancho Dominquez, CA 90220	265,624	(A)	4.8	10.62
Brian A. Watts 18617 Broadwick Street Rancho Dominquez, CA 90200	120,000	(A)	2.2	4.8
All directors and officers as a Group (7 in number)	5,655,672	(B)	98.6	

(1) All amounts are amounts of ownership of common stock of the Company unless otherwise indicated.
(A) Entire amount is amount of exercisable stock options
(B) Includes 425,624 exercisable stock options

OUTSTANDING STOCK OPTIONS

Stock options are held by four individuals who are either directors or officers. The following table shows the effect of the Reverse Stock Split on Spectrum's outstanding stock options:

	Pre-Split	Post-Split
Jay Henis, director	20,000	0.80
Jack Whitescarver, director	20,000	0.80
Jesus Martinez, Vice President	265,624	10.62
Brian Watts, CFO	120,000	4.80
	425,624	17.02

The Company will equitably adjust the exercise price. Each of the shareholders has agreed not to exercise options in connection with the Reverse Stock Split

TRADING MARKET AND PRICE

The Company's common stock is quoted on the OTC Bulletin Board. The following table sets forth for the periods indicated the high and the low prices of the Company's Common Stock each quarter during the past two years and during the first and second quarters of 2005

	High	Low
Though August 25, 2005	$2.50	$2.34
Second Quarter 2005	$2.50	$2.33
First Quarter of 2005	$2.35	$2.23
Year ended December 25, 2004		
First Quarter	$4.00	$1.70
Second Quarter	2.50	2.25
Third Quarter	2.10	2.05
Fourth Quarter	2.34	2.22
Year ended December 27, 2003		
First Quarter	.55	.55
Second Quarter	2.95	.65
Third Quarter	2.25	2.15
Fourth Quarter	2.50	1.60

EXCHANGE OF CERTIFICATES AND PAYMENT

The Company will pay the Cashed Out Shareholders out of its own cash assets. The Company has sufficient cash assets to pay the amount in full. As soon as practicable after the effective date, the holders of the Common Stock will be

notified that the reverse stock split has been effected and they should surrender to the Company any certificate(s) representing outstanding shares of existing Spectrum common Stock in exchange for (i) cash for any fractional shares or (ii) new certificate(s) representing the number of new Spectrum common stock that will result from the reverse stock split. On the effective date, each certificate representing shares of existing Spectrum Common Stock will be deemed for all purposes to represent either (i) a claim for cash payment for a fractional share, or (ii) the number of shares of new Spectrum common stock that will result from the reverse stock split, whether or not the certificates representing existing Spectrum Common Stock are surrendered for exchange. It is anticipated that the payment in cash for any fractional shares will be paid by the Company within thirty (30) days after such shares are surrendered to the company for payment. No interest will be paid to any fractional stockholders on the cash payments to be made from the effective date of the reverse stock split.

Registered stockholders who hold physical stock certificates will be instructed to submit their certificates to the Company in order to receive their fractional share payment. Stockholders who hold their shares in book entry form will automatically receive payment by check. Stockholders who hold their shares in a brokerage account will have the relevant account automatically credited by the broker. In the even that any certificate representing shares of Common Stock is not presented for cash upon request by the Company, the cash payment will be administered in accordance with the relevant state abandoned property laws.

FEDERAL INCOME TAX CONSEQUENCES OF THE REVERSE STOCK SPLIT

A summary of the federal income tax consequences of the reverse stock split is set forth below. The discussion is based on present federal income tax law. The discussion is not, and should not be relied on as, a comprehensive analysis of the tax issues arising from or relating to the reverse stock split. This summary does not purport to deal with all aspects of federal income taxation that may be relevant to a particular stockholder in light of such stockholder's personal investment circumstances or to certain types of stockholders subject to special treatment under the Internal Revenue Code of 1986, as amended (including, without limitation, financial institutions, broker-dealers, regulated investment companies, life insurance companies, tax-exempt organizations, foreign corporations and non-resident aliens). Accordingly, stockholders are urged to consult their personal tax advisors for an analysis of the effect of the reverse stock split based on their own tax situations, including consequences under applicable state, local or foreign tax laws.

For unaffiliated shareholders, the Company believes that the receipt of cash for fractional shares by them will be deemed a sale of the fractional share for income tax purposes and the difference between the amount of cash received for the fractional share and the stockholder's tax basis in such share will be the gain or loss to be recognized. The gain or loss will generally be a capital gain or loss, with the nature being short term if owned less than one (1) year and long term if owned for a year or more.

In the case of affiliated shareholder, Spectrum believes the exchange of existing Spectrum Common Stock for new Spectrum Common Stock under the reverse stock split will qualify as a recapitalization under Section 368 of the Internal Revenue Code, to the extent that outstanding shares of existing Spectrum Common Stock are exchanged for a reduced number of shares of new Spectrum Common Stock. Therefore, the exchange of existing Spectrum Common Stock for new Spectrum Common Stock will result in neither Spectrum nor its stockholders recognizing any gain or loss for federal income tax purposes. Affiliated shareholders who receive cash payments for fractional shares will be subject to federal tax to

the same extent as unaffiliated shareholders.

The shares of common stock to be issued to each stockholder to effect the reverse stock split will have an aggregate basis, for computing gain or loss, equal to the aggregate basis of the shares of existing Spectrum Common Stock held by such stockholder immediately prior to the reverse stock split less the basis of any fractional shares for which you receive cash. A stockholder's holding period for the shares of new Spectrum common stock to be issued will include the holding period for shares of existing Spectrum Common Stock exchanged therefore, provided that such outstanding shares of existing Spectrum Common Stock were held by the stock holder as capital assets on the effective date of the reverse stock split.

The repurchase of the fractional shares by Spectrum will be considered a purchase and retirement of its own stock. The purchase will be treated as a reduction of stockholders' equity. Spectrum has no present plans to re-sell or dispose of the fractional shares acquired in this transaction.

COST OF THE REVERSE STOCK SPLIT

The Company estimates of the costs incurred or expected to be incurred in connection with the reverse stock split to be approximately $112,000 in addition to the $287,918 necessary to pay Cashed Out Shareholders. Actual costs of the transaction may be more or less than this estimate. The Company will be responsible for paying these costs. Estimated costs are as follows:

Legal fees	$ 35,000
Transfer agent fees	0
Fees for fairness opinion	35,000
Printing and mailing costs	5,000
SEC filing fees	2,000
Accounting fees	25,000
Miscellaneous	10,000
Total	$112,000

The Company expects its business and operations to continue as they are currently being conducted and, except as disclosed in this Information Statement, the reverse stock split is not anticipated to have any effect upon the conduct of the business. The Company expects to realize time and cost savings as a result of terminating its public company status. If the reverse stock split is consummated, all persons beneficially owning fewer than 25,000 shares of Common stock at the effective time of the reverse stock split will no longer have any equity interest in, and will not be stockholders of, the Company and therefore will not participate in its future potential earnings and growth.

If the reverse stock split is effected, the Company will be 100% owned by these stockholders who are currently directors.

The Company plans, as a result of the reverse stock split, to become a privately held company. The registration of Common Stock under the Exchange Act will be terminated and the Common Stock will cease to be quoted on the OTCBB.

As stated throughout this Information Statement, the Company believes that there are significant advantages in effecting the reverse stock split and going private and the Company plans to avail itself of any opportunities it has as a private company, including, but not limited to, improving its ability to compete in the marketplace, making itself a more viable candidate with respect to a

merger or acquisition transaction with any one of its competitors or entering into some type of joint venture or other arrangement.

Other than as described in this Information Statement, neither the Company nor its management has any current plans or proposals to effect any extraordinary corporate transaction; such as a merger, reorganization or liquidation; to sell or transfer any material amount of its assets; to change its Board or management; to change materially its indebtedness or capitalization; or otherwise to effect any material change in its corporate structure or business. There are no plans to change any material term of any severance agreement or retention bonus plan agreement with any of the Company's executive officers.

FINANCIAL STATEMENTS AND FINANCIAL INFORMATION

The Company's Annual Report on Form 10-K SB for the year ended December 25, 2004, which contains audited consolidated financial statements of the Company for the fiscal year ended December 25, 2004, and certain additional financial information, and the Company's Quarterly Report on Form 10-QSB for the quarter ended June 25, 2005, which contains unaudited condensed consolidated financial statements of the Company, are being mailed to stockholders of record with this Information Statement and are incorporated herein by reference. Summary financial information is provided below for the fiscal years ending December 2003 and December 2004 and for the quarter ending June 2004 and June 2005. The summary information is derived from the audited financial statements included in the company's 10KSB and from the unaudited information included in the Forms 10 QSB.

SPECTRUM LABORATORIES, INC.
SUMMARY FINANCIAL INFORMATION

	FISCAL YEAR ENDING (1)		QUARTER 1 ENDING(2)	
	12/25/2004	12/27/2003	6/25/2005	6/26/2004
Current Assets	13,199	8,959	12,886	9,110
Non Current Assets	6,097	6,495	5,659	6,425
Current Liabilities	1,981	1,996	1,848	1,862
Non Current Liabilities	6,820	3,540	6,310	3,060
Stockholders' Equity	10,495	9,918	10,387	10,613
Net Sales	13,250	12,544	6,348	6,602
Gross Profit	5,519	5,750	2,705	2,886

Income (Loss) from Operations	545	332	(22)	550
Net Income (Loss)	402	432	(14)	385
Net Income (Loss) Per Share	$ 0.08	$ 0.08	$ (--)	$ 0.07
Book Value Per Share	$ 1.98	$ 1.87	$ 1.96	$ 2.00

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(1) Information is based upon the Company's audited financial statements included in the Company's most recent form 10-KSB. (in 000's except for per share date)

(2) Information is based upon the Company's unaudited financial statements included in the Company's most recent form 10-QSB. (in 000's except for per share date)

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The ratio of earnings to fixed charges (i) for the year ended December 27, 2003, was 1.5, (ii) for the year ended December 25, 2004, was 2.1, (iii) and for the six months ended June 26, 2004, was 3.4, and (iv) for the six months ended June 25, 2005, was 0.9.

Upon written request of any person who is a record holder of Common Stock or as of the close of business on September ___, 2005 the Company will also provide without charge to such person a copy of the Company's Annual Report on Form 10-KSB for the fiscal year ended December 25, 2004 as filed with the SEC, excluding exhibits. Any written request must be directed as follows:

Copies of the fairness opinion and any related report provided by Seidman and Co. can be viewed and will be made available for copying at the company's offices upon duplication to our Corporate Secretary.

Corporate Secretary,
Spectrum Laboratories, Inc,
18617 Rancho Dominguez, California 90220
tel. (310) 855 4600
fax. (310) 885 4666

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APPENDIX A FAIRNESS OPINION

SEIDMAN & CO., INC.

110 East 59th Street, 25th Floor
New York, NY 10022

Tel: (212) 843-1480
Fax: (212) 843-1484

32400 Telegraph Road, Suite 205
Bingham Farms, MI 48025

Tel: (248) 645-9700
Fax: (248) 645-9701

Email: info@seidman-co.com
Website: www.seidman-co.com

September 30, 2004

The Board of Directors
SPECTRUM LABORATORIES, INC.
18617 Broadwick Street
Rancho Dominguez, California 90220-6435

Gentlemen:

You have requested the opinion of Seidman & Co., Inc. ("Seidman") as to the fairness, from a financial point-of-view, to the minority common stock shareholders of Spectrum Laboratories, Inc. ("Spectrum," "SLI," or "the Company"), a Delaware corporation, of the proposed cash distribution of $2.56 per pre-split share of the Company, prior to a proposed reverse split of 1 (one) for 25,000 (twenty-five thousand) shares. Seidman & Co., Inc. is regularly engaged in the valuation of businesses and securities in connection with purchases and sales of businesses, mergers and acquisitions, going private, leveraged buyouts, and other related securities transactions.

In reaching our fairness opinion, we examined and considered all available information and data which we deemed relevant to determining the fairness of the subject distribution to the shareholders of SLI, from a financial point of view, including:

1. Terms of the proposed cash distribution and reverse split;

2. Certain publicly available financial statements and other business and financial information of Spectrum Laboratories, Inc.;

3. Discussions with certain members of the Company's senior management concerning the Company's business, operations, historical financial results, and future prospects;

4. The reported historical prices, trading multiples, and trading volumes of the common stock of the Company;

5. Publicly available financial data, stock market performance data, and trading multiples of companies which we deemed generally comparable to the Company;

6. Conditions in, and the outlook for, the laboratory equipment and supplies market;

7. Conditions in, and the outlook for the United States economy, interest rates and financial markets;

8. Other studies, analyses, and investigations as we deemed appropriate.

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth herein without considering the analysis as a whole could create an incomplete view of the processes underlying Seidman & Co. Inc.'s fairness opinion. This letter is prepared solely for the purpose of Seidman & Co., Inc. providing an outline of the opinion as to the fairness of the subject cash distribution, and does not purport to be an appraisal or necessarily reflect the prices at which businesses or securities actually may be sold. This letter only has application as it is employed with reference to the full written analysis and supporting research and tables.

During the course of our investigation, we conducted interviews with persons who, in our judgment, were capable of providing us with information necessary to complete the assignment, including members of management. We have assumed that the information and accounting supplied by management and others are accurate, and reflect good faith efforts to describe the current and prospective status of Spectrum Laboratories, Inc. from an operational and financial point-of-view. We have relied, without independent verification, upon the accuracy of the information provided by these sources.

In arriving at our opinion, we have not performed or obtained any independent appraisal of the assets or liabilities (contingent or otherwise) of Spectrum, nor have we been furnished with any such appraisals. We have assumed that the final terms of the cash distribution and reverse split will not materially differ from the preliminary terms reviewed by us. In addition, we have assumed that the subject cash distribution and reverse split will be consummated in a timely manner and in accordance with the terms without any limitations, restrictions, conditions, amendments or modifications, regulatory or otherwise, that collectively would have a material effect on Spectrum.

It is understood that this letter is intended for the benefit and use of the Board of Directors of Spectrum, and it is not intended to confer rights or remedies upon any other entity or person. It is also understood that this letter does not constitute a recommendation to the Board of Directors of Spectrum as to whether or not to pursue the subject cash distribution and reverse split. This opinion does not address Spectrum's underlying business decision to pursue the proposed cash distribution and reverse split, the relative merits of the cash distribution and

reverse split as compared to any alternative business strategies that might exist for Spectrum, or the effects of any other transaction in which Spectrum might engage. This letter is not to be used for any other purpose, or be reproduced, disseminated, quoted from or referred to at any time, in whole or in part, without our prior written consent; provided, however, that this letter may be included in its entirety in any information statement to be distributed to the holders of Common Stock in connection with the proposed cash distribution and reverse split. Our opinion is subject to the assumptions and conditions contained herein and is necessarily based on economic, market and other conditions, and the information made available to us as of the valuation date of September 22, 2004 ("Valuation Date"). Subsequent developments may affect this opinion, and we assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the Valuation Date.

Based, therefore, on our analysis and consideration of the foregoing respective information and data, it is our considered professional judgment that as of September 22, 2004, the cash price of $2.56 per pre-split share of common stock to be paid to the public minority shareholders of Spectrum precedent to the proposed reverse split is fair to the minority shareholders of Spectrum Laboratories, Inc. from a financial point of view.

Yours truly,

Seidman & Co., Inc.

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tock of the Company held by the Kiernan Family Trust.

(16) Includes 70,962 shares held by Catherine Jayasuriya, who is deemed to hold sole voting and dispositive power over the shares.

(17) Includes 401,495 shares held by Cure Duchenne Ventures, LLC. Debra Miller, the President and Chief Executive Officer of Cure Duchenne Ventures, LLC, holds sole voting and dispositive power over the shares held by Cure Duchenne Ventures, LLC.

(18) Includes 7,096 shares held by the Litvack-Curtis Children's Trust. Robert A. Harabedian is the trustee of the trust and is deemed to have sole voting and dispositive power with respect to the shares held by the irrevocable trust.

(19) Includes 28,671 shares held by Ron Cherney Simple IRA. Mr. Cherney holds sole voting and dispositive power over these shares.

(20) Includes 23,869 shares held by William J. Costigan III, who holds sole voting and dispositive power over the shares.

(21) Includes 56,769 shares held by Pacific Capital Management, LLC. Jonathan Glaser, the managing member of Pacific Capital Management, LLC, holds sole voting and dispositive power over the shares held by Pacific Capital Management, LLC.

(22) Includes 14,192 shares held by M. Pepper Limited Partnership. Murray Pepper, the general partner of M. Pepper Limited Partnership, holds sole voting and dispositive power over the shares held by M. Pepper Limited Partnership.

(23) Includes 28,384 shares held by Feiler Trust dtd 2/2/01. William R. Feiler is the trustee of the trust and holds sole voting and dispositive power over the shares held by the trust.

(24) Includes 170,962 shares held by Aspire Capital Fund, LLC. Aspire Capital Partners LLC is the Managing Member of Aspire Capital Fund LLC. SGM Holdings Corp is the Managing Member of Aspire Capital Partners LLC. Mr. Steven G. Martin is the president and sole shareholder of SGM Holdings Corp, as well as a principal of Aspire Capital Partners LLC. Mr. Erik J. Brown is the president and sole shareholder of Red Cedar Capital Corp, which is a principal of Aspire Capital Partners LLC. Mr. Christos Komissopoulos is president and sole shareholder of Chrisko Investors Inc., which is a principal of Aspire Capital Partners LLC. Each of Aspire Capital Partners LLC, SGM Holdings Corp, Red Cedar Capital Corp, Chrisko Investors Inc., Mr. Martin, Mr. Brown and Mr. Komissopoulos may be deemed to be a beneficial owner of the common stock of the Company held by Aspire Capital Fund LLC and, therefore, may be deemed to have shared voting and dispositive power over the shares held by Aspire Capital Fund LLC. Each of Aspire Capital Partners LLC, SGM Holdings Corp, Red Cedar Capital Corp, Chrisko Investors Inc., Mr. Martin, Mr. Brown and Mr. Komissopoulos disclaims beneficial ownership of the common stock of the Company held by Aspire Capital Fund LLC.

(25) Includes (i) 25,000 shares held by Trevor Colby as an individual, and, therefore, Mr. Colby is deemed to hold sole voting and dispositive power over the 25,000 shares and (ii) 38,379 shares held by Trevor and Linda Colby JT WROS, in which Trevor Colby and Linda Colby are deemed to hold share voting and dispositive power over the shares. Mr. Colby is a registered representative of a broker-dealer. Mr. Colby acquired the shares being registered hereunder for his own account, and at the time of the acquisition of the shares being registered hereunder, Mr. Colby did not have any arrangements or understandings with any person to distribute such securities.

(26) Includes (i) 64,418 shares held by Timothy McInerney, who holds sole voting and dispositive power over the shares, and (ii) 27,894 shares of common stock issuable upon the exercise of warrants held by Mr. McInerney. Mr. McInerney is a registered representative of a broker-dealer. Mr. McInerney acquired the shares being registered hereunder for his own account, and at the time of the acquisition of the shares being registered hereunder, Mr. McInerney did not have any arrangements or understandings with any person to distribute such securities.

(27) Includes 42,577 shares held by Sareli Investments, LLC. Mark S. Siegel, a managing member of Sareli Investments, LLC, holds sole voting and dispositive power over the shares held by Sareli Investments, LLC. Mr. Siegel is a member of the board of directors of Cedars-Sinai Medical Center, a related party of the Company.

(28) Includes 7,096 shares held by E. Peter Bergmann, who is deemed to hold sole voting and dispositive power over the shares.

(29) Includes 22,707 shares held by Brimart, LLC, a Maryland limited liability company. Brian J. Gibbons, a manager of Brimart, LLC, holds sole voting and dispositive power over the shares held by Brimart, LLC.

(30) Includes 7,096 shares held by Donna M. Sills, who is deemed to hold sole voting and dispositive power over the shares.

(31) Includes 22,707 shares held by the Erwin L. Greenberg Revocable Trust, a trust in which Erwin L. Greenberg is the trustee and is deemed to hold sole voting and dispositive power over the shares held by the trust.

(32) Includes 23,000 shares held by Herbert B. Mittenthal, who is deemed to hold sole voting and dispositive power over the shares.

(33) Includes 28,384 shares held by Jeffrey A. Legum, who is deemed to hold sole voting and dispositive power over the shares.

(34) Includes (i) 127,732 shares held by John M. Kemp, who is deemed to hold sole voting and dispositive power over the shares and (ii) 41,176 shares held by John Kemp and Robin Kemp, who hold shared voting and dispositive power over the shares.

(35) Includes 70,962 shares held by the Leroy M. Merritt 1999 Family Trust, a trust in which Robb L. Merritt and Scott E. Dorsey are the trustees and are deemed to hold shared voting and dispositive power over the shares held by the trust.

(36) Includes 35,481 shares held by Robb L. Merritt, who is deemed to hold sole voting and dispositive power over the shares.

(37) Includes 35,481 shares held by Scott E. and Carolynne H. Dorsey, as tenants by the entirety, who hold shared voting and dispositive power over the shares.

(38) Includes 14,192 shares held by Ronald M. Causey, who is deemed to hold sole voting and dispositive power over the shares. Mr. Causey is an affiliate of a registered broker-dealer, SC&H Capital, which acted as a placement agent for the private placement consummated by the Company on January 21, 2015. Mr. Causey acquired the shares being registered for his own account, and at the time of the acquisition of the shares being registered hereunder, did not have any arrangements or understandings with any person to distribute such securities other than his firm which acted as the placement agent.

(39) Includes 141,924 shares held by Diamond Comic Distributors, Inc. Stephen A. Geppi, President, Charles A. Parker, Vice President and Secretary, and Larry R. Swanson, Treasurer of Diamond Comic Distributors, Inc., share voting and dispositive power over the shares held by Diamond Comic Distributors, Inc.

(40) Includes 660,208 shares held by Broadfin Healthcare Master Fund, Ltd. Kevin Kotler, the Managing Partner of Broadfin Healthcare Master Fund, Ltd., has the power to vote or dispose of the securities held of record by Broadfin Healthcare Master Fund, Ltd., and may be deemed to beneficially own such securities.

(41) Includes 364,101 shares held by Sabby Healthcare Master Fund, Ltd. (“SHMF”). Sabby Management, LLC serves as the investment manager of SHMF. Hal Mintz is the manager of Sabby Management, LLC and consequently has the power to vote and dispose of the securities held by SHMF. Each of Sabby Management, LLC and Hal Mintz disclaims beneficial ownership over the securities beneficially owned by SHMF, except to the extent of their respective pecuniary interest therein.

(42) Includes (i) 52,941 shares held by Roscomare, Ltd. an entity in which Harry Sloan, the general partner of Roscomare, Ltd., holds sole voting and dispositive power over the shares held by Roscomare, Ltd. and (ii) 6,000 shares held by Sloan Squared LP, an entity in which Harry Sloan, the General Partner of Sloan Squared LP, holds sole voting and dispositive power over the shares held by Sloan Squared LP.

(43) Includes 15,214 shares held by Noam Rubinstein, who is deemed to hold sole voting and dispositive power over the shares. Mr. Rubinstein is a registered representative of H.C. Wainwright & Co., LLC, a registered broker-dealer. Mr. Rubinstein acquired the shares being registered hereunder for his own account, and at the time of the acquisition of the shares being registered hereunder, Mr. Rubinstein did not have any arrangements or understandings with any person to distribute such securities.

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PLAN OF DISTRIBUTION

The selling stockholders and any of their assignees and successors-in-interest may, from time to time, sell any or all of their shares of common stock on any stock exchange, market or trading facility on which the shares are traded or in private transactions. These sales may be at fixed or negotiated prices. The selling stockholders may use any one or more of the following methods when selling shares:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- broker-dealers may agree with the selling stockholders to sell a specified number of such shares at a stipulated price per share;
- a combination of any such methods of sale; and
- any other method permitted pursuant to applicable law.

The selling stockholders may also sell shares under Rule 144 under the Securities Act of 1933, as amended, if available, rather than under this prospectus.

Broker-dealers engaged by the selling stockholders may arrange for other broker-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the selling stockholders (or, if any broker-dealer acts as agent for the purchaser of shares, from the purchaser) in amounts to be negotiated. The selling stockholders do not expect these commissions and discounts to exceed what is customary in the types of transactions involved.

The selling stockholders and any broker-dealers or agents that are involved in selling the shares may be deemed to be "underwriters" within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act.

We are required to pay all fees and expenses incident to the registration of the shares, but not including certain fees and disbursements of counsel to the selling stockholders; in addition, a selling stockholder will pay all underwriting discounts and selling commissions, if any. We have agreed to indemnify the selling stockholders against certain losses, claims, damages and liabilities, including liabilities under the Securities Act. We may be indemnified by the selling stockholders against civil liabilities, including liabilities under the Securities Act, that may arise from any written information furnished to us by the selling stockholder specifically for use in this prospectus, in accordance with the registration rights agreement, or we may be entitled to contribution.

To the extent required, we will amend or supplement this prospectus to disclose material arrangements regarding the plan of distribution.

To comply with the securities laws of certain jurisdictions, registered or licensed brokers or dealers may need to offer or sell the shares offered by this prospectus. The applicable rules and regulations under the Securities Exchange Act of 1934, as amended, may limit any person engaged in a distribution of the shares of common stock covered by this prospectus in its ability to engage in market activities with respect to such shares. A selling stockholder, for example, will be subject to applicable provisions of the Exchange Act and the rules and regulations under it, including, without limitation, Regulation M of the Exchange Act, which provisions may limit the timing of purchases and sales of any shares of common stock by that selling stockholder. Regulation M may also restrict the ability of any person engaged in the distribution of the shares of common stock to engage in market-making activities with respect to the shares of common stock. All of the foregoing may affect the marketability of the shares of common stock and the ability of any person or entity to engage in market-making activities with respect to the shares of common stock.

Description of CAPITAL STOCK

The following description summarizes the most important terms of our capital stock. Because the following description is only a summary, it does not contain all of the information that may be important to you. For a complete description of the matters set forth in this "Description of Capital Stock," you should refer to our Certificate of Incorporation, as amended, and our Bylaws, and to the applicable provisions of Delaware law.

General

Our Certificate of Incorporation, as amended, authorizes the issuance of 55,000,000 shares of capital stock, including: (i) 50,000,000 shares of our common stock, $0.001 par value per share, and (ii) 5,000,000 shares of preferred stock, $0.001 par value per share.

As of May 20, 2015, there were 16,223,281 shares of our common stock outstanding, held by 123 stockholders of record not including those held in the "street name," and no shares of our preferred stock outstanding. Our Board of Directors is authorized, without stockholder approval, to issue additional shares of our capital stock

Common Stock

General

The rights, preferences and privileges of the holders of our common stock are subject to, and may be adversely affected by, the rights of the holders of any series of preferred stock that we may designate in the future. In addition, our Board of Directors has authority to issue the authorized but unissued shares of our common stock without further action by our stockholders.

Voting Rights

Holders of common stock are entitled to one vote for each share held of record on all matters submitted to a vote of the stockholders, and do not have cumulative voting rights in the election of directors.

Dividend Rights

Subject to rights that may be applicable to any outstanding shares of preferred stock and the requirements, if any, with respect to the setting aside of sums as sinking funds or redemption or purchase accounts for the benefit of the holders of preferred stock, the holders of our common stock are entitled to receive dividends, if any, as may be declared from time to time by our Board of Directors out of assets legally available for dividend payments. Any such dividends shall be divided among the holders of our common stock on a pro rata basis.

Liquidation Rights

In the event of any liquidation of the Company, the holders of common stock will be entitled to share ratably in the assets that are remaining after payment or provision for payment of all of our debts and obligations and after liquidation payments to holders of outstanding shares of preferred stock are made, if any.

No Preemptive or Similar Rights

The holders of common stock have no preferences or rights of conversion, exchange, pre-emption or other subscription rights, and our common stock is not subject to any sinking fund provisions.

Fully Paid and Non-Assessable

All outstanding shares of our common stock are fully paid and non-assessable.

Preferred Stock

Our Board of Directors has authority, without further action by the stockholders, to issue up to 5,000,000 shares of preferred stock, in one or more series, and to designate the rights, preferences, powers and restrictions of each such series. The issuance of preferred stock could have the effect of restricting dividends on common stock, diluting the voting power of common stock, impairing the liquidation rights of common stock or delaying or preventing a change in control of the Company without further action by the stockholders.

Options

As of May 20, 2015, there were options outstanding to purchase an aggregate of 5,808,554 shares of our common stock with a range of exercise prices from $0.16 to $12.00 per share and an average weighted exercise price of $1.46 per share. The options were issued pursuant to (i) the Amended and Restated 2005 Stock Option Plan (the former Nile Plan), (ii) the 2006 Stock Option Plan, (iii) the 2012 Restated Equity Incentive Plan, and (iv) the 2012 Non-Employee Director Stock Option Plan.

Restricted Stock Grant

On August 4, 2014, we issued a restricted stock grant to a consultant for a total of 10,000 shares of our common stock. This restricted stock grant was to vest monthly over a period of one year commencing August 1, 2014 and was issued pursuant to our 2012 Restated Equity Incentive Plan. As of February 1, 2015, 5,831 shares were issued to the consultant. The restricted stock grant agreement with the consultant was terminated by us and, therefore, after March 2015, no additional shares will be issued pursuant to the restricted stock grant.

Warrants

November 2013 Warrants

General Terms. On March 15, 2013, we entered into that certain Convertible Note Purchase Agreement (the “2013 Note Purchase Agreement”) with certain accredited investors pursuant to which we sold an aggregate principal amount of $450,000 of secured convertible promissory notes (the “2013 Notes”) for an aggregate original issue price of $382,500, representing a 15% original issue discount. On October 21, 2013, we entered into an amendment to the

2013 Note Purchase Agreement whereby we sold to the holders of the 2013 Notes additional notes having an aggregate principal amount of $120,510 (the "Additional Notes"). Pursuant to the terms of that certain First Amendment to Secured Convertible Promissory Notes, dated as of September 27, 2013, the 2013 Notes and the Additional Notes converted at the close of the merger between Nile and Capricor on November 20, 2013 into 251,044 shares of our common stock and warrants to purchase 251,044 shares of our common stock at a strike price of $2.2725. We refer to these warrants in this prospectus as the November 2013 Warrants. The exercise price and number of shares issued upon exercise of the November 2013 Warrants are subject to adjustment in certain cases, as described below. Please see the section of this prospectus entitled "Prospectus Summary – Description of Private Placements" for more information about these private placement transactions.

Exercisability. The November 2013 Warrants are exercisable immediately upon issuance and may be exercised at any time prior to November 20, 2018. The November 2013 Warrants may be exercised in whole or in part at the applicable exercise price until expiration of the November 2013 Warrants. No fractional shares will be issued upon the exercise of the November 2013 Warrants. As of the date of this prospectus, 15,401 shares of common stock have been issued pursuant to exercise of the November 2013 Warrants.

Adjustments. The exercise price and number of shares issuable upon exercise of the November 2013 Warrants are subject to adjustment in certain circumstances, such as in the event of a stock dividend, stock split or combination. Additionally, an adjustment would be made in the case of (i) a consolidation or merger of the Company with or into another person, in which the stockholders of the Company as of immediately prior to the transaction own less than a majority of the outstanding stock of the surviving entity, (ii) a sale of all or substantially all of the assets of the Company or a majority of our common stock, (iii) any tender offer or exchange, subject to certain conditions, or (iv) any reclassification of our common stock or any compulsory share exchange pursuant to which our common stock is effectively converted into or exchanged for other securities, cash or property.

Warrant holder Not a Stockholder. The November 2013 Warrants do not confer upon the holders thereof any voting, dividend or other rights of a stockholder of the Company.

Registration Rights

Pursuant to the terms of the 2013 Note Purchase Agreement, we agreed to register the resale of (i) the shares of common stock issuable upon conversion of the 2013 Notes and the Additional Notes and (ii) the shares of common stock underlying the November 2013 Warrants, under the Securities Act on Form S-1 or any other appropriate form in the Company's sole discretion. We previously filed a Registration Statement on Form S-1 (SEC File No. 333-195385) to register for resale the shares of common stock underlying the 2013 Notes, the Additional Notes and the November 2013 Warrants, as well as the shares of common stock that were issued upon conversion of the 2013 Notes and the Additional Notes, which such Registration Statement was declared effective by the Securities and Exchange Commission on June 6, 2014.

In connection with the private placement that was concluded pursuant to the Share Purchase Agreement dated January 9, 2015 (PIPE 1), we entered into a Registration Rights Agreement with the PIPE 1 investors on January 9, 2015. Pursuant to the terms of such Registration Rights Agreement, we agreed to (i) prepare and file with the SEC a registration statement to register for resale the shares, and (ii) use our reasonable best efforts to cause the applicable registration statement to be declared effective by the SEC as soon as practicable, in each case subject to certain deadlines. We may be required to effect certain registrations to register for resale the shares in connection with certain "piggy-back" registration rights granted to the PIPE 1 investors. We will be required to pay to each PIPE 1 investor liquidated damages equal to 1.0% of the aggregate purchase price paid by such investor pursuant to the PIPE 1 Share Purchase Agreement for the shares per month (up to a cap of 10.0%) if we do not meet certain obligations with respect to the registration of the shares, subject to certain conditions. In accordance with the terms of the Registration Rights Agreement, we filed a Registration Statement on Form S-1, as may be amended from time to time (SEC File No. 333-202589) (the Form S-1), which was declared effective by the Securities and Exchange Commission on March 30, 2015, to register for resale the shares of common stock issued in PIPE 1. We are filing a Post-Effective Amendment No. 1 to Form S-1 on Form S-3 (the Form S-3), of which this prospectus is a part, in order to update the prospectus that is a part of the Form S-1.

In connection with the private placement that was concluded pursuant to the Share Purchase Agreement dated February 3, 2015 (PIPE 2), we entered into a Registration Rights Agreement with the PIPE 2 investors on February 3, 2015. Pursuant to the terms of such Registration Rights Agreement, we agreed to (i) prepare and file with the SEC a registration statement to register for resale the shares, and (ii) use our reasonable best efforts to cause the applicable registration statement to be declared effective by the SEC as soon as practicable, in each case subject to certain deadlines. We may be required to effect certain registrations to register for resale the shares in connection with certain "piggy-back" registration rights granted to the PIPE 2 investors. We will be required to pay to each PIPE 2 investor liquidated damages equal to 1.0% of the aggregate purchase price paid by such investor pursuant to the PIPE 2 Share Purchase Agreement for the shares per month (up to a cap of 10.0%) if we do not meet certain obligations with respect to the registration of the shares, subject to certain conditions. In accordance with the terms of the Registration Rights

Agreement, we filed the Form S-1, which was declared effective by the Securities and Exchange Commission on March 30, 2015, to register for resale the shares of common stock issued in PIPE 2. We are filing the Form S-3, of which this prospectus is a part, in order to update the prospectus that is a part of the Form S-1.

Anti-Takeover Effects of Certain Provisions of DGCL and Our Certificate of Incorporation and Bylaws

The provisions of the General Corporation Law of the State of Delaware (the "DGCL"), our Certificate of Incorporation, as amended, and our Bylaws discussed below may be deemed to have an anti-takeover effect and may delay, deter or prevent a tender offer or takeover attempt that a stockholder might consider to be in its best interests, including attempts that might result in a premium being paid over the market price for the shares held by stockholders. These provisions are intended to enhance the likelihood of continuity and stability in the composition of our Board of Directors and in the policies formulated by the Board of Directors and to discourage certain types of transactions that may involve an actual or threatened change of control. These provisions are designed to reduce our vulnerability to an unsolicited acquisition proposal and are intended to discourage certain tactics that may be used in proxy fights. Such provisions may also have the effect of preventing changes in our management.

Section 203 of the DGCL

As a Delaware corporation, we are subject to Section 203 of the DGCL. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years after the date of the transaction in which the person became an interested stockholder, unless the business combination is, or the transaction in which the person became an interested stockholder was, approved in a prescribed manner or another prescribed exception applies. For purposes of Section 203, a "business combination" is defined broadly to include, among other things, a merger, asset or stock sale or other transaction resulting in a financial benefit to the interested stockholder. Subject to certain exceptions, an "interested stockholder" is a person who, together with affiliates and associates, owns, (or within three years prior, did own) 15% or more of the corporation's voting stock.

Concentration of Ownership

The former stockholders of Capricor, Inc., many of whom are executive officers and directors continuing with the Company, together with their respective affiliates, beneficially own or control a substantial majority of the outstanding shares of the Company. Accordingly, these stockholders will have substantial influence over the outcome of a corporate action of the Company requiring stockholder approval, including the election of directors, any merger, consolidation or sale of all or substantially all of the Company's assets or any other significant corporate transaction. These stockholders may also exert influence in delaying or preventing a change in control of the Company, even if such change in control would benefit the other stockholders of the Company.

Issuance of Additional Shares

Our Board of Directors has authority, without further action by the stockholders, to issue up to 5,000,000 shares of preferred stock, in one or more series and to designate the rights, preferences, privileges and restrictions of each series. The issuance of preferred stock could have the effect of delaying or preventing a change in control of our Company without further action by the stockholders.

In addition, our Board of Directors has authority to issue the authorized but unissued shares of our common stock, without further action by the stockholders. Under certain circumstances, we could use the additional shares to create voting impediments or to frustrate persons seeking to effect a takeover or otherwise gain control by, for example, issuing those shares in private placement transactions to purchasers who are likely to side with our Board of Directors in opposing a hostile takeover bid.

Advance Notice Provisions for Stockholder Proposals

Our Bylaws provide that the nomination of persons to stand for election to the Board of Directors at any annual or special meeting of stockholders may be made by the holders of the Company's common stock only if written notice of such stockholder's intent to make such nomination has been given to the Secretary of the Company not later than 30 days prior to the meeting.

Furthermore, our Bylaws require that any stockholder who gives notice of any stockholder proposal shall deliver therewith the text of the proposal to be presented and a brief written statement of the reasons why such stockholder favors the proposal and setting forth such stockholder's name and address, the number and class of all shares of each class of stock of the Company beneficially owned by such stockholder and any financial interest of such stockholder in the proposal (other than as a stockholder).

The foregoing provisions may preclude our stockholders from bringing matters or from making nominations for directors at our annual meeting of stockholders if the proposals are not in compliance with the required procedures. Additionally, the requisite procedures may deter a potential acquirer from conducting a solicitation of proxies to elect its own nominees to our Board or Directors or otherwise attempting to gain control of the Company.

Special Meetings of Stockholders

Our Bylaws provide that special meetings of stockholders may be called by the Chairman of the Board, the President or the Board of Directors. A special meeting shall be called by the President or Secretary upon one or more written demands (which must state the purpose or purposes therefore) signed and dated by the holders of shares representing not less than 10% of all votes entitled to be cast on any issue(s) that may be properly proposed to be considered at the special meeting. These provisions may delay or impede the ability of a stockholder or group of stockholders to force consideration of a proposal or stockholders holding a majority of our outstanding capital stock to take a certain desired action.

Filling of Vacancies on the Board of Directors

Our Bylaws provide that a vacancy on the Board of Directors caused by the removal of a director or by an increase in the authorized number of directors in between annual meetings may be filled only by a majority of the remaining directors. In addition, the number of directors constituting our Board of Directors may only be set from time to time by resolution of our Board of Directors. These provisions would prevent a stockholder from increasing the size of our Board of Directors and then gaining control of our Board of Directors by filling any resulting vacancies with its own nominees; thereby making it more difficult to change the composition of our Board of Directors.

Amendment of Our Bylaws

Our Board of Directors is expressly authorized to adopt, amend or repeal our Bylaws.

Listing

Our common stock is currently traded on the NASDAQ Capital Market under the symbol “CAPR”.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is American Stock Transfer & Trust Company, LLC.

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Legal Matters

Paul Hastings LLP, Palo Alto, California, which has acted as our counsel in connection with this offering, will pass upon the validity of the shares of common stock being offered by this prospectus.

Experts

The audited consolidated financial statements of the Company appearing in the Company's Annual Report on Form 10-K for the year ended December 31, 2014 have been audited by Rose, Snyder and Jacobs LLP, an independent registered public accounting firm, as set forth in their report thereon, included therein, and incorporated herein by reference. Such financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

Where You Can Find More Information

We have filed with the SEC a Post-Effective Amendment No. 1 to Form S-1 on Form S-3 under the Securities Act with respect to the shares of common stock offered by this prospectus. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement, some of which is contained in exhibits to the registration statement as permitted by the rules and regulations of the SEC. For further information with respect to us and our common stock, we refer you to the registration statement, including the exhibits filed as a part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other document are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, please see the copy of the contract or document that has been filed. Each statement in this prospectus relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit. You may obtain copies of this information by mail from the Public Reference Section of the Securities and Exchange Commission, 100 F Street, N.E., Washington, D.C. 20549, at prescribed rates. You may obtain information on the operation of the public reference rooms by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet website that contains reports, proxy statements and other information about issuers, like us, that file electronically with the SEC. The address of that website is *www.sec.gov*.

We are subject to the informational and reporting requirements of the Securities Exchange Act of 1934, as amended, and have filed and will file annual, quarterly and current reports, proxy statements and other information with the SEC. These periodic reports, proxy statements and other information will be available for inspection and copying at the SEC's public reference facilities and the website of the SEC referred to above. We also maintain a website at *www.capricor.com*. You may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Information contained on our website is not a part of this

prospectus and the inclusion of our website address in this prospectus is an inactive textual reference only.

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INFORMATION INCORPORATED BY REFERENCE

The SEC allows us to "incorporate by reference" into this prospectus the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information we incorporate by reference is an important part of this prospectus and information that we subsequently file with the SEC will automatically update and supersede information in this prospectus and in our other filings with the SEC.

We incorporate by reference the documents listed below, which we have already filed with the SEC, and any filings we make with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act (1) on or after the date of filing of the registration statement of which this prospectus forms a part and (2) on or after the date of this prospectus until the earlier of the date on which all of the securities registered hereunder have been sold or the registration statement of which this prospectus is a part has been withdrawn (in each case, other than information that is deemed, under SEC rules, not to have been filed):

- our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, filed with the SEC on March 16, 2015;
- our Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2015, filed with the SEC on May 13, 2015;
- our Definitive Proxy Statement on Schedule 14A, filed with the SEC on May 18, 2015;
- our Current Reports on Form 8-K, filed with the SEC on (i) January 12, 2015 (as amended by our Form 8-K/A filed with the SEC on January 22, 2015); (ii) February 4, 2015 (as amended by our Form 8-K/A filed with the SEC on February 6, 2015); (iii) March 5, 2015 at 6:01 a.m. ET; and (iv) March 5, 2015 at 8:07 a.m. ET.; and
- the description of our common stock contained in our Registration Statement on Form 8-A filed on March 5, 2015, including any amendment or report filed for the purpose of updating such description.

We also incorporate by reference any future filings (other than current reports furnished under Item 2.02 or Item 7.01 of Form 8-K and exhibits filed on such form that are related to such items unless such Form 8-K expressly provides to the contrary) made with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, including those made after the date of the initial filing of the registration statement of which this prospectus is a part and prior to effectiveness of such registration statement, until we file a post-effective amendment that indicates the termination of the offering of the Common Stock made by this prospectus, and such filings will become a part of this prospectus from the respective dates that such documents are filed with the SEC. Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes hereof or of the related prospectus supplement to the extent that a statement contained herein or in any other subsequently filed document which is also incorporated or deemed to be incorporated herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

We will provide without charge to each person, including any beneficial owner, to whom this prospectus is delivered, upon written or oral request, a copy of any or all of the foregoing documents incorporated herein by reference (other than exhibits unless such exhibits are specifically incorporated by reference in such documents). Requests for such documents should be made to us at the following address or telephone number: Capricor Therapeutics, Inc., Attn: General Counsel, 8840 Wilshire Blvd. 2nd Floor, Beverly Hills, California 90211, or by calling (310) 358-3200.

4,095,693 Shares

Common Stock

Prospectus

Dated _____, 2015

We have not authorized anyone to provide any information or make any representations other than those contained in this prospectus or in any free writing prospectuses prepared by or on behalf of us or to which we have referred you. We do not take responsibility for, and can provide no assurance as to the reliability of, any information that others may give you. This prospectus relates to the resale by the selling stockholders identified in this prospectus of up to 4,095,693 shares of common stock, $0.001 par value per share, of Capricor Therapeutics. All of the shares of common stock held by the selling stockholders were issued by us in private placement transactions. We are not offering any shares of our common stock for sale under this prospectus and we will not receive any part of the proceeds from sales of the shares of common stock by the selling stockholders. The selling stockholders will bear all commissions and discounts, if any, attributable to the sale or other disposition of the shares. We will bear all costs, expenses and fees in connection with the registration of the shares. The selling stockholders may, from time to time, sell, transfer or otherwise dispose of any or all of the shares of common stock offered by this prospectus on terms to be determined at the time of sale through ordinary brokerage transactions or through any other means described in this prospectus under the section entitled “Plan of Distribution”. The prices at which the selling stockholders may sell the shares will be determined by the prevailing market price for the shares or in negotiated transactions. The information contained in this prospectus or in any applicable free writing prospectus is current only as of its date, regardless of the time of delivery of this prospectus or of any sale of shares of our common stock. Our business, financial condition and results of operations may have changed since that date.

No action is being taken in any jurisdiction outside the United States to permit a public offering of the common stock or possession or distribution of this prospectus in that jurisdiction. Persons who come into possession of this

prospectus in jurisdictions outside the United States are required to inform themselves about and to observe any restrictions as to the offering and the distribution of this prospectus applicable to that jurisdiction.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The following table sets forth all expenses to be paid by Capricor Therapeutics, Inc. (the Registrant), other than underwriting discounts and commissions, in connection with the offering. All amounts shown are estimates except for the SEC registration fee.

SEC registration fee (1)	$3,041.84
Legal fees and expenses	75,000
Accounting fees and expenses	6,000
Transfer agent and registrar fees and expenses	1,000
Miscellaneous fees and expenses	6,000
Total	$91,041.84

(1) Previously paid.

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Section 145 of the General Corporation Law of the State of Delaware, or the DGCL, authorizes a corporation's board of directors to grant, and authorizes a court to award, indemnity to officers, directors and other corporate agents.

The Registrant's Certificate of Incorporation, as amended, or the Certificate, requires the Registrant to indemnify its directors and officers to the fullest extent permitted by the DGCL as it presently exists or as may hereafter be amended. Therefore, a director of the Registrant will not be liable to the Registrant or the Registrant's stockholders for monetary damages for any breach of fiduciary duty as a director, provided that the individual acted in good faith and in a manner the individual reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. Any amendment to, or repeal of, these provisions will not eliminate or reduce the effect of these provisions in respect of any act, omission or claim that occurred or arose prior to that amendment or repeal. If the DGCL is amended to provide for further limitations on the personal liability of directors of corporations, then the personal liability of the

Registrant's directors will be further limited to the greatest extent permitted by the DGCL.

Additionally, the provisions of the Certificate and of the Registrant's bylaws require the Registrant to indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or as may hereafter be amended, any person who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of the Registrant or, while a director or officer of the Registrant, is or was serving at the request of the Registrant as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such person. Notwithstanding the preceding sentence, the Registrant shall be required to indemnify such a person in connection with a proceeding (or part thereof) commenced by such person only if the commencement of such proceeding (or part thereof) by the person was authorized in the specific case by the Board of Directors. The Registrant's bylaws also provide that the Registrant shall, to the fullest extent not prohibited by applicable law, promptly pay the expenses, including attorneys' fees, incurred by a director or officer in defending any proceeding in advance of its final disposition, subject to certain limited exceptions.

The Registrant's bylaws permit the Registrant to purchase and maintain insurance on behalf of any person that the Registrant is permitted to indemnify in accordance with the bylaws against any liability asserted again any such person and incurred by such person, whether or not the Registrant would have the power to indemnify such person against such liability under the DGCL. In accordance with the provisions of the bylaws, the Registrant currently maintains directors' and officers' liability insurance, which may insure against director or officer liability arising under the Securities Act. In addition, the Registrant has entered into various agreements whereby it has agreed to indemnify its directors and officers for specific liabilities that they may incur while serving in such capacities. These indemnification agreements provide for the maximum indemnity allowed to directors and officers by applicable law. The Registrant believes that these agreements are necessary to attract and retain qualified individuals to serve as directors and executive officers.

The limitation of liability and indemnification provisions that are included in the Certificate, the Registrant's bylaws and in indemnification agreements that the Registrant enters into with its directors and officers may discourage stockholders from bringing a lawsuit against the Registrant's directors and officers for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against the Registrant's directors and officers, even though an action, if successful, might benefit the Registrant and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that the Registrant pays the costs of settlement and damage awards against directors and executive officers as required by the applicable indemnification provisions. At present, the Registrant is not aware of any pending litigation or proceeding involving any person who is or was one of its directors, officers, employees or other agents or is or was serving at its request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, for which indemnification is sought, and the Registrant is not aware of any threatened litigation that may result in claims for indemnification.

The foregoing statements are subject to the detailed provisions of the DGCL and the full text of the corporate documents and agreements referenced above.

Reference is made to Item 17 for the Registrant's undertakings with respect to indemnification for liabilities arising under the Securities Act of 1933.

ITEM 16. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) Exhibits.

2.1	Agreement and Plan of Merger, dated as of August 15, 2007, by and among SMI Products, Inc., Nile Merger Sub, Inc. and Nile Therapeutics, Inc. (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K, filed with the Commission on August 17, 2007).
2.2	Agreement and Plan of Merger and Reorganization, dated as of July 7, 2013, by and among Nile Therapeutics, Inc., Bovet Merger Corp. and Capricor, Inc. (incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K, filed with the Commission on July 9, 2013).
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4.7	First Amendment to the Secured Convertible Promissory Notes (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the Commission on October 3, 2013).
5.1	Opinion of Paul Hastings LLP (incorporated by reference to Exhibit 5.1 to the Company's Registration Statement on Form S-1 (File No. 333-202589), filed with the Commission on March 6, 2015).
23.1	Consent of Rose Snyder & Jacobs, LLP.*

23.2 Consent of Paul Hastings LLP (included in Exhibit 5.1).

24.1 Power of Attorney (included on signature page) (incorporated by reference to Exhibit 24.1 to the Company's Registration Statement on Form S-1 (File No. 333-202589), filed with the Commission on March 6, 2015).

* Filed herewith.

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ITEM 17. UNDERTAKINGS.

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the “Calculation of Registration Fee” table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

Provided, however, that:

Paragraphs (1)(i), (1)(ii) and (1)(iii) of this section do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(5) That, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(6) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Beverly Hills, State of California, on June 3, 2015.

CAPRICOR THERAPEUTICS, INC.

By: /s/ Linda Marbán, Ph.D.
Linda Marbán, Ph.D.
Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Linda Marbán, Ph.D. Linda Marbán, Ph.D.	Chief Executive Officer and Director *(Principal Executive Officer)*	June 3, 2015
/s/ Anthony J. Bergmann Anthony J. Bergmann	Vice President of Finance *(Principal Financial and Accounting Officer)*	June 3, 2015
* Frank Litvack, M.D.	Executive Chairman	June 3, 2015
* Joshua A. Kazam	Director	June 3, 2015
* Earl M. Collier	Director	June 3, 2015
* Louis V. Manzo	Director	June 3, 2015
* Louis J. Grasmick	Director	June 3, 2015
* Gregory W. Schafer	Director	June 3, 2015

*	Director	June 3, 2015
George W. Dunbar		
*	Director	June 3, 2015
David B. Musket		

*By: /s/ Linda Marbán, Ph.D.
Linda Marbán, Ph.D., as Attorney-in-Fact

INDEX TO EXHIBITS FILED WITH THIS REGISTRATION STATEMENT

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