

NANOGEN INC
Form DEF 14A
May 05, 2006
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a)
of the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material Pursuant to §240.14a-11(c) or §240.14a-12

NANOGEN, INC.

(Name of Registrant as Specified In Its Charter)

N/A

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

(1) Title of each class of securities to which transaction applies:

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(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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.. Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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10398 Pacific Center Court

San Diego, California 92121

Tel: (858) 410-4600

Fax: (858) 410-4949

May 5, 2006

Dear Stockholder:

You are cordially invited to attend our Annual Meeting of Stockholders, which will be held on Thursday, June 14, 2006 at 10:00 a.m. at Nanogen's principal executive offices located at 10398 Pacific Center Court, San Diego, California 92121.

The formal notice of the Annual Meeting and the Proxy Statement are attached.

After reading the Proxy Statement, please mark, date, sign and return, as soon as possible, the enclosed proxy card in the prepaid envelope to ensure that your shares will be represented. **YOUR SHARES CANNOT BE VOTED UNLESS YOU SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD OR ATTEND THE ANNUAL MEETING IN PERSON.**

A copy of our Annual Report to Stockholders is also enclosed.

We look forward to seeing you at the meeting.

Sincerely Yours,

HOWARD C. BIRNDORF

Chairman of the Board and

Chief Executive Officer

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Nanogen, Inc.

Notice of Annual Meeting of Stockholders

To Be Held June 14, 2006

The Annual Meeting of Stockholders of Nanogen, Inc. (the "Company") will be held at the Company's principal executive offices located at 10398 Pacific Center Court, San Diego, California 92121 on June 14, 2006, at 10:00 a.m., for the following purposes:

1. To elect two (2) Class II directors.
2. To approve an amendment to the 1997 Stock Incentive Plan ("1997 Stock Plan") to increase the number of shares authorized for issuance under the 1997 Stock Plan by 1,500,000 shares.
3. To approve an amendment to the Nanogen, Inc. Employee Stock Purchase Plan (the "ESPP") to increase the number of shares authorized for issuance under the ESPP by 500,000 shares.
4. To ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2006.
5. To transact such other business as may properly come before the Annual Meeting and any adjournment thereof.

The Board of Directors has fixed the close of business on April 17, 2006, as the record date for determining the stockholders entitled to notice of and to vote at the Annual Meeting and any adjournment thereof. A complete list of stockholders entitled to vote will be available at the Company's principal executive offices located at 10398 Pacific Center Court, San Diego, California 92121, for ten days prior to the meeting.

WHETHER OR NOT YOU INTEND TO BE PRESENT AT THE ANNUAL MEETING, WE URGE YOU TO MARK, DATE, SIGN AND RETURN THE ENCLOSED PROXY CARD PROMPTLY.

By order of the Board of Directors

William L. Respass, Esq.

Senior Vice President, General

Counsel and Secretary

May 10, 2006

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NANOGEN, INC.

PROXY STATEMENT

This Proxy Statement is furnished in connection with the solicitation by the Board of Directors (the Board of Directors) of Nanogen, Inc., a Delaware corporation (Nanogen or the Company), of proxies in the accompanying form to be used at the Annual Meeting of Stockholders to be held at the Company s principal executive offices located at 10398 Pacific Center Court, San Diego, California 92121 on June 14, 2006 at 10:00 a.m., and at any adjournment or postponement of the Annual Meeting (the Annual Meeting).

This Proxy Statement and the accompanying form of proxy are being mailed to stockholders on or about May 10, 2006.

VOTING PROCEDURES

The shares represented by proxy received in response to this solicitation and not revoked will be voted at the Annual Meeting. If you hold your shares in your own name as a holder of record, you may instruct the proxy holders how to vote your shares by signing, dating and mailing the proxy card in the postage paid envelope that we have provided. In the event no directions are specified, the shares will be voted FOR the election of the nominees for Class II directors listed in this Proxy Statement and FOR approval of proposals 2, 3 and 4 described in the Notice of Annual Meeting and in this Proxy Statement. You may also vote by attending the Annual Meeting in person.

You may revoke or change your proxy vote at any time before it is actually voted at the Annual Meeting by sending a written notice of revocation or submitting another proxy with a later date to the Secretary of the Company. You may also revoke your proxy by attending and voting in person at the Annual Meeting, but your attendance at the Annual Meeting will not, by itself, constitute a revocation of your proxy. If your shares are registered in the name of a bank or other brokerage firm, you will receive instructions from them that you must follow in order to have your shares voted.

Who Can Vote

Stockholders of record at the close of business on April 17, 2006 are entitled to notice of and to vote at the Annual Meeting. As of April 17, 2006 the Company had 60,958,452 shares of common stock, \$0.001 par value per share (Common Stock), outstanding and entitled to vote. Each holder of Common Stock is entitled to one vote for each share held as of the record date.

General Information on Voting

Holders of a majority of the outstanding shares of Common Stock must be present or represented by proxy at the Annual Meeting in order to have a quorum. Shares that are marked withheld or abstain are treated as being present for purposes of determining the presence of a quorum at the Annual Meeting. If you hold your Common Stock through a bank, broker or other nominee, the broker may be prevented from voting shares held in your account on some proposals (a broker non-vote) unless you have given voting instructions to your bank, broker or nominee. Shares that are subject to a broker non-vote are counted for purposes of determining whether a quorum exists.

Directors are elected by a plurality vote. Accordingly, each director nominee who receives the most votes cast in his or her favor will be elected. Votes that are withheld from a nominee will be excluded entirely from the election of the Class II directors and will have no effect on the outcome. A broker non-vote has no effect in the

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outcome of the election of the directors, as directors are elected by a plurality of the votes cast. Proposals 2, 3 and 4 will be decided by the affirmative vote of a majority of shares present in person or represented by proxy and entitled to vote on each such matter. An abstention on Proposals 2, 3 or 4 has the effect of a vote against the proposal because each proposal requires the affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote at the meeting. Broker non-votes will have no effect on the outcome of these proposals because under Delaware law shares represented by such broker non-votes are not considered shares present and entitled to vote with respect to such matters.

The Company will bear the expense of printing and mailing proxy materials. In addition to the solicitation of proxies by mail, solicitation may be made by the Company's directors, officers or other employees by telephone, facsimile or other means.

No additional compensation will be paid to such persons for such solicitation. The Company will reimburse brokerage firms and others for their reasonable expenses in forwarding solicitation materials to beneficial owners of the Company's Common Stock.

Management of the Company is not aware of any matters other than those described in this Proxy Statement that may be presented for action at the Annual Meeting. If any other matters properly come before the meeting, persons appointed by the enclosed form of proxy will have discretionary authority to vote such proxies as they decide.

Recommendations of the Board of Directors

The Company's Board of Directors recommends a vote:

FOR the election of the nominees to the Board of Directors (Proposal 1);

FOR approval of the amendment to the 1997 Stock Incentive Plan (Proposal 2);

FOR approval of the amendment to the Employee Stock Purchase Plan (Proposal 3); and

FOR ratification of Ernst & Young LLP as our registered public accounting firm for fiscal year 2006 (Proposal 4).

IMPORTANT

WHETHER OR NOT YOU INTEND TO BE PRESENT AT THE ANNUAL MEETING, WE URGE YOU TO MARK, DATE AND SIGN THE ENCLOSED PROXY CARD AND RETURN IT AT YOUR EARLIEST CONVENIENCE IN THE ENCLOSED POSTAGE-PREPAID RETURN ENVELOPE. THIS WILL NOT LIMIT YOUR RIGHTS TO ATTEND OR VOTE AT THE ANNUAL MEETING.

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PROPOSAL 1

ELECTION OF DIRECTORS

The Company's certificate of incorporation provides for a classified Board of Directors consisting of three classes having staggered terms of three years each. The Company's bylaws provide that the Board of Directors shall consist of not less than five nor more than nine members. The Board of Directors currently consists of two Class I directors, two Class II directors, and one Class III director. The Class I directors each have a term expiring at the 2008 annual meeting of stockholders, the Class II directors have a term expiring at the 2006 annual meeting and the Class III director has a term expiring at the 2007 annual meeting of stockholders.

The Nominating, Governance and Ethics Committee of the Board of Directors recommended, and the Board of Directors approved, Stelios B. Papadopoulos and David R. Schreiber as the nominees for election at the Annual Meeting to Class II of the Board of Directors.

Mr. Papadopoulos has served as a director since 1999 and Mr. Schreiber has served as a director since 2003. If elected, Mr. Papadopoulos and Mr. Schreiber will each serve for a term of three years expiring at the 2009 annual meeting of stockholders or until their respective successors shall have been elected and qualified. Mr. Papadopoulos and Mr. Schreiber have each consented to be named as the nominees and agreed to serve if elected. If, however, any of them is unable to serve, proxies will be voted for such persons as the Board of Directors may recommend.

Shares represented by proxy cannot be voted for a greater number of persons than the number of nominees named. The other directors of the Company will continue in office for their existing terms.

The Board of Directors unanimously recommends that stockholders vote FOR the election of the following nominees to the Board of Directors:

NOMINEES TO SERVE AS CLASS II DIRECTORS SERVING A TERM EXPIRING AT THE 2009 ANNUAL MEETING

Stelios B. Papadopoulos. Mr. Papadopoulos has been a director of Nanogen since October 1999. He retired in September 2001 from CN Biosciences, Inc. (CNBI), an affiliate of Merck KGaA, Darmstadt, Germany. From January 2001 to September 2001, Mr. Papadopoulos served as Chief Executive Officer and a director of CNBI, and CEO of Merck KGaA's North American Laboratory Business. From August 2000 to December 2000 he acted as an assistant to the General Manager of Merck KGaA's Scientific Laboratory Products Division. From January 1999 to August 2000, he served as the CEO of CNBI. From January 1993 to December 1999, he served as the Chairman and CEO of CNBI. He previously served as President of Fisher Scientific Worldwide, Inc. (now Fisher Scientific International Inc.) from April 1988 to June 1992. From October 1987 to April 1988, he was President of Instrumentation Laboratory. Since March 2003, Mr. Papadopoulos has been serving as a director and as Chairman of the Audit Committee of US LABS, Inc. Mr. Papadopoulos received his B.S. in Aeronautical Engineering from Northrop Institute of Technology.

David R. Schreiber. Mr. Schreiber has been a director of Nanogen since June 2003. Mr. Schreiber has served on the board of directors of Specialty Laboratories since June 2004. From November 1996 to July 2003, Mr. Schreiber served as the Senior Vice President, Chief Financial Officer and Secretary of Dianon Systems, Inc., a company that was acquired by the Laboratory Corporation of America (LabCorp.) in 2003 and from October 1999 to January, 2003, he served as a director of Dianon. From May 1994 until November 1996, Mr. Schreiber served as Vice President/General Manager-Midwest Region for Corning Clinical Laboratories, which is now Quest Diagnostics. From May 1990 to May 1994, he served as Vice President, Finance & Administration at Unilab Corporation and from August 1986 to May 1990 he served as Regional Controller of the Midwest Region of Corning Clinical Laboratories. Mr. Schreiber received his B.S. in Finance with a minor in Economics in 1982 and his MBA in 1984 from Northern Illinois University.

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Set forth below is information regarding the continuing directors of Class I and Class III:

CURRENT CLASS I DIRECTORS SERVING A TERM EXPIRING AT THE 2008 ANNUAL MEETING

Howard C. Birndorf. Mr. Birndorf, a founder of Nanogen, has served as our Chairman of the Board since October 1993. From 1993 to April 2001 he served as Chief Executive Officer, from April 2001 to December 2002 he served as Executive Chairman, and since December 2002 he has served as Chief Executive Officer. Mr. Birndorf also served as our President, from January 2000 to September 2000, and as Chief Financial Officer, from December 1997 to July 1998 and from September 1993 to October 1997. Mr. Birndorf was a co-founder and Chairman Emeritus of Ligand Pharmaceuticals Incorporated, where from January 1988 to November 1991 he was President and Chief Executive Officer. He was also a co-founder, director and Executive Vice President of Gen-Probe Incorporated, co-founder and Vice President of Corporate Development at Hybritech Incorporated, co-founder and director of IDEC Pharmaceuticals Corporation, and was involved in the formation of Gensia Pharmaceuticals, Inc. (currently known as SICOR Inc.) where he was a director. From November 1991 to January 1993, Mr. Birndorf was President of Birndorf Technology Development, an investment and consulting company, and a founding director of Neurocrine Biosciences, Inc. He was a founding director of Graviton, Inc., a wireless sensor company, chairman of the board of FASTRAQ and a director of the Cancer Center of the University of California, San Diego. Mr. Birndorf received a B.A. in Biology from Oakland University and an M.S. in Biochemistry from Wayne State University. Mr. Birndorf received an honorary Doctor of Science degree from Oakland University.

Robert E. Whalen. Mr. Whalen has been a director of Nanogen since April 2002. Mr. Whalen has been a Regional Vice President of Quest Diagnostics since March 2003 and prior to the acquisition of Unilab Corporation (Unilab) by Quest Diagnostics in February 2003, was Chief Executive Officer, President and a director of Unilab from December 1999 to February 2003. He was elected Chairman of the Board of Unilab in December 1999. From May 1997 to September 1999, Mr. Whalen served as Executive Vice President and, from September 1998 to September 1999, as Chief Operating Officer of Scripps Clinic, a 320-physician multi-specialty medical group located in Southern California. From the April 1995 merger of Roche Biomedical Laboratories and National Health Laboratories, Incorporated (NHL) until August 1996, Mr. Whalen served as Executive Vice President of Laboratory Corporation of America (LabCorp). Prior to his employment at LabCorp, Mr. Whalen held various senior level positions with NHL, which he joined in 1976. He served as Executive Vice President of NHL from 1993 to 1995, as Senior Vice President from 1991 to 1993 and as Vice President-Administration from 1985 to 1993. From 1979 to 1985, he was Vice President-Division Manager of NHL. At NHL and later at LabCorp, Mr. Whalen oversaw human resources, client service and major regional laboratories in California, Washington, Nevada and Utah.

CURRENT CLASS III DIRECTOR SERVING A TERM EXPIRING AT THE 2007 ANNUAL MEETING

William G. Gerber, M.D. Dr. Gerber has been a director of Nanogen since June 2005. He is a Partner at Bay City Capital, a life sciences investment fund. He was most recently President and Chief Executive Officer of Epoch BioSciences until its merger with Nanogen in December, 2004. Prior to joining Epoch in September 1999, Dr. Gerber served as President and Chief Executive Officer at diaDexus LLC a joint venture established by Incyte Pharmaceuticals and SmithKline Beecham to apply genomics to the discovery of novel diagnostic products. Dr. Gerber previously served as Vice President and Chief Operating Officer of Onyx Pharmaceuticals, as President of Chiron Diagnostics, and as Senior Vice President and General Manager of the PCR Division with Cetus Corporation. Dr. Gerber is a member of the Board of Directors of Sangamo Biosciences and Chairman of the Board of Directors of Pathway Diagnostics. He also served on and was President of the Board of Medical Quality Assurance, State of California. He received his M.D. and B.S. degrees from the University of California, San Francisco Medical Center after attending Dartmouth College.

Independence of the Board of Directors

Our Board of Directors has determined that each of our current directors, except for Mr. Birndorf, our Chairman of the Board and Chief Executive Officer, and Dr. Gerber, is independent within the meaning of the

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applicable Nasdaq listing standards. Dr. Gerber is not independent due to his consulting relationship with the Company described under the section Certain Transactions.

Board Committees

The Board of Directors has established a Compensation Committee, an Audit Committee, and a Nominating, Governance, and Ethics Committee. The Board of Directors has adopted a written charter for each of these committees, copies of which are available on our website at www.nanogen.com under our Investor Relations section.

Name	Age	Director	Compensation Committee	Audit Committee	Nominating, Governance, and Ethics Committee
Howard C. Birndorf	56	X			
Robert E. Whalen	63	X	X	X	X
William G. Gerber	59	X			
Stelios B. Papadopoulos	65	X		X	X
David Schreiber	46	X	X	X	X

Compensation Committee. The current members of the Compensation Committee are Robert Whalen and David Schreiber. The Board of Directors believes that each of the current members of the Compensation Committee is independent in accordance with the listing standards of the Nasdaq Stock Market. The Compensation Committee held three meetings during 2005. The Compensation Committee's functions are to (i) discharge the Board of Directors responsibilities relating to the compensation of the Company's executive officers, (ii) approve and evaluate the executive officers compensation, plans, policies and programs, and (iii) produce an annual report on executive compensation for inclusion in our proxy statement.

Audit Committee. The current members of the Audit Committee are Stelios B. Papadopoulos, David Schreiber and Robert E. Whalen. The Board of Directors believes that each of the members of the Audit Committee is independent in accordance with the listing standards of the Nasdaq Stock Market and under the rules established by the SEC for members of audit committees. Additionally, the Board of Directors has determined that Mr. Papadopoulos is an audit committee financial expert as defined in SEC rules. The Audit Committee held five (5) meetings during 2005. The Audit Committee's functions are to (i) oversee our accounting and financial reporting processes and audits of our financial statements, (ii) assist the Board of Directors in oversight and monitoring of the integrity of our financial statements, our compliance with legal and regulatory requirements, our independent auditor's qualifications, independence and performance, and our internal accounting and financial controls, (iii) prepare an annual report to be included in our annual proxy statement, (iv) provide the Board of Directors with results of its monitoring and recommendations derived there from, and (v) provide the Board of Directors with additional information and materials as it may deem necessary to make the Board of Directors aware of significant financial matters that require the attention of the Board of Directors.

Nominating, Governance and Ethics Committee. The current members of the Nominating, Governance and Ethics Committee are David Schreiber, Stelios B. Papadopoulos and Robert E. Whalen. The Board of Directors believes that each member of the Nominating, Governance and Ethics Committee is independent in accordance with the listing standards of the Nasdaq Stock Market. The Nominating, Governance and Ethics Committee held one meeting in 2005.

The Nominating, Governance and Ethics Committee's functions are to select persons to be nominated to the full Board for membership, to develop and recommend to the Board governance and ethics principles applicable to the Company, oversee the evaluation of the Board of Directors and management, and recommend to the Board of Directors nominees for each committee of the Board. The Nominating, Governance and Ethics Committee will consider director candidates recommended by stockholders. To recommend candidates for consideration,

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stockholders should submit the candidates' names and appropriate background and biographical information in writing to the Nanogen Nominating, Governance and Ethics Committee, 10398 Pacific Center Court, San Diego, California 92121. Assuming the appropriate information has been timely provided, the committee will give the same consideration to candidates recommended by Company stockholders as to those recommended by others.

The Nominating, Governance and Ethics Committee reviews the qualifications of potential nominees to determine whether they might make good candidates for consideration for membership on the Board of Directors. The process includes a review of the candidate's character, judgment, experience, independence, understanding of our business or other related industries and such other factors as the Committee determines are relevant in light of the needs of the Board of Directors and the Company. The Committee will select qualified candidates and review its recommendations with the Board of Directors, which will decide whether to invite the candidate to be a nominee for election to the Board of Directors. Although the Committee has the authority to do so, it does not currently pay a fee to any third party to identify or assist in identifying or evaluating potential nominees.

Board Meetings and Committees

The Board of Directors held seven meetings during 2005. Each director attended more than 75% of the total number of meetings of the Board during his respective Board membership and the total number of meetings of the committees on which he served and which were held during the period in which he served on such committee.

Stockholder Communications with the Board

Although we do not have a formal policy regarding stockholder communications, stockholders may communicate with the Board of Directors, including the non-management directors, by sending a letter to the Nanogen Board of Directors, c/o Corporate Secretary, Nanogen, Inc. 10398 Pacific Center Court, San Diego, California 92121. Stockholders who would like their submission directed to a particular member of the Board of Directors may so specify.

Annual Meeting Attendance

Although we do not have a formal policy regarding attendance of the Board of Directors at our annual meetings of stockholders, directors are encouraged to attend our annual meetings. Two directors attended the Company's 2005 annual meeting of stockholders.

Company Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics, a code of ethics that applies to all employees, consultants and agents including our executive officers and directors. A copy of the Code of Business Conduct and Ethics is posted on our Internet site at www.nanogen.com. In the event we make any amendments to, or grant any waivers of, a provision of the Code of Business Conduct and Ethics that applies to the principal executive officer, principal financial officer, or principal accounting officer that requires disclosure under applicable SEC rules, we intend to disclose such amendment or waiver and the reasons therefore on our website at www.nanogen.com.

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The following table sets forth information as of March 17, 2006 (except as noted below) as to our shares of Common Stock beneficially owned by (i) each of our directors, (ii) each of our executive officers in the Summary Compensation Table set forth herein, (iii) our current directors and executive officers as a group and (iv) each person known by us to be the beneficial owner of more than 5% of the outstanding shares of our Common Stock.

	Beneficial Ownership	
	of Common Stock⁽¹⁾	
	Number of Shares	Percentage of Class
Fisher Scientific International, Inc. ⁽²⁾ Liberty Lane Hampton, NH 03842	5,660,377	9.1%
Fort Mason Capital LLC ⁽³⁾ 456 Montgomery Street, 22nd Floor San Francisco, CA 94104	5,312,660	8.6%
Howard C. Birndorf ⁽⁴⁾ c/o Nanogen, Inc. 10398 Pacific Center Court San Diego, CA 92121	2,034,302	3.3%
David G. Ludvigson ⁽⁵⁾	703,107	1.1%
Robert Saltmarsh ⁽⁶⁾	117,672	*
Graham Lidgard ⁽⁷⁾	336,067	*
William L. Respass ⁽⁸⁾	202,149	*
Robert Whalen ⁽⁹⁾	42,078	*
Stelios Papadopoulos ⁽¹⁰⁾	72,078	*
David Schreiber ⁽¹¹⁾	31,307	*
William G. Gerber ⁽¹²⁾	233,452	*
All directors and executive officers as a group (9 persons) ⁽¹³⁾	3,772,212	6.1%

* Less than one percent.

- (1) Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission (the "SEC"), based on factors including voting and investment power with respect to shares. Percentage of beneficial ownership is based on the number of shares of the Company's common stock outstanding as of March 17, 2005. Shares of common stock issuable upon exercise of options currently exercisable, or exercisable within 60 days after March 17, 2006 and shares of common stock issuable within 60 days after March 17, 2006 pursuant to outstanding restricted stock units, are deemed outstanding for purpose of computing the percentage ownership of the person holding such options, but are not deemed outstanding for the computing the percentage ownership of any other person.

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- (2) Pursuant to a Schedule 13G filed on March 15, 2006 with the SEC by Fisher Scientific International, Inc. claimed it had share voting power and share dispositive power over 5,660,377 shares of common stock.
- (3) Pursuant to a Schedule 13G/A filed on January 23, 2006 with the SEC by Fort Mason Capital, LLC claimed it had shared voting power and shared dispositive power over 5,312,660 shares of common stock. Fort Mason Master, LP, a Cayman Island limited partnership (Master), and Fort Mason Partners, LP, a Delaware limited partnership (Partners and together with Master, the Funds), held in aggregate

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4,547,354 shares of the common stock and warrants that entitle the Fund to purchase up to an aggregate of 765,306 additional shares at an exercise price of \$4.00 per share. Fort Mason Capital, LLC, a Delaware limited liability company, service as the investment manager of the Funds and possesses sole power to vote and direct the disposition of all securities.

- (4) Includes 1,368,750 shares issuable upon the exercise of options within 60 days of March 17, 2006.
- (5) Includes 601,583 shares issuable upon the exercise of options within 60 days of March 17, 2006.
- (6) Includes 89,062 shares issuable upon the exercise of options within 60 days of March 17, 2006.
- (7) Includes 305,729 shares issuable upon the exercise of options within 60 days of March 17, 2006.
- (8) Includes 157,815 shares issuable upon the exercise of options within 60 days of March 17, 2006.
- (9) Includes 25,000 shares issuable upon the exercise of options within 60 days of March 17, 2006.
- (10) Includes 55,000 shares issuable upon the exercise of options within 60 days of March 17, 2006.
- (11) Includes 18,229 shares issuable upon the exercise of options within 60 days of March 17, 2006.
- (12) Includes 221,968 shares issuable upon the exercise of options within 60 days of March 17, 2006.
- (13) Includes five Board members, one of whom is an executive officer, and four other current executive officers.

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The names of and certain biographical information of our current executive officers are as follows:

Name	Age	Position
Howard C. Birndorf	56	Chairman and Chief Executive Officer
David Ludvigson	56	President and Chief Operating Officer
Robert Saltmarsh	56	Chief Financial Officer
Graham Lidgard	58	Senior Vice President, Research and Development
William L. Respass	67	Senior Vice President, General Counsel, Secretary

Howard C. Birndorf. Mr. Birndorf, a founder of Nanogen, has served as our Chairman of the Board since October 1993. From 1993 to April 2001 he served as Chief Executive Officer, from April 2001 to December 2002 he served as Executive Chairman, and since December 2002 he has served as Chief Executive Officer. Mr. Birndorf also served as our President, from January 2000 to September 2000, and as Chief Financial Officer, from December 1997 to July 1998 and from September 1993 to October 1997. Mr. Birndorf was a co-founder and Chairman Emeritus of Ligand Pharmaceutical Incorporated, where from January 1988 to November 1991 he was President and Chief Executive Officer. He was also a co-founder, director and Executive Vice President of Gen-Probe Incorporated, co-founder and Vice President of Corporate Development at Hybritech Incorporated, co-founder and director of IDEC Pharmaceuticals Corporation, and was involved in the formation of Gensia Pharmaceuticals, Inc. (currently known as SICOR Inc.) where he was a director. From November 1991 to January 1993, Mr. Birndorf was President of Birndorf Technology Development, an investment and consulting company, and a founding director of Neurocrine Biosciences, Inc. He is a founding investor of Kiyon, Inc., chairman of the board of FasTraQ, Inc. and HA Cell Technology, and serves on the advisory board of Scripps Clinic-Green Hospital. In addition, Mr. Birndorf is currently a member of the Board of Directors of Jurilab, Ltd. He received the Life Sciences Legend award at bioFusion 2002. Mr. Birndorf received a B.A. in Biology from Oakland University and an M.S. in Biochemistry from Wayne State University. Mr. Birndorf received honorary Doctor of Science degrees from Oakland University and Wayne State University.

David G. Ludvigson. In June of 2004, Mr. Ludvigson was appointed to his current position of President and Chief Operating Officer. Mr. Ludvigson joined Nanogen full-time in May 2003 as Executive Vice President, Chief Financial Officer and Treasurer. Mr. Ludvigson was a director of Nanogen from 1996 until June 2003. Prior to joining Nanogen, he was President and Chief Executive Officer of Black Pearl, Inc. (Black Pearl), an event-based business intelligence software company, from November 2001 until January, 2003. Prior to Black Pearl, from August 2000 to January 2001, Mr. Ludvigson was President of InterTrust Technologies, a digital rights management software company. Prior to joining InterTrust Technologies, Mr. Ludvigson was a Senior Vice President and Chief Operating Officer of Matrix Pharmaceuticals, Inc. (Matrix) from October 1999 to August 2000. In addition, from 1998 to August 2000 he was also the Chief Financial Officer of Matrix. From February 1996 to June 1998, Mr. Ludvigson was President and Chief Operating Officer of NeTpower. From 1992 to 1995, Mr. Ludvigson was Senior Vice President and Chief Financial Officer of IDEC Pharmaceuticals. Prior to that time, he served as Senior Vice President of Sales and Marketing for Conner Peripherals and as Executive Vice President, Chief Financial Officer and a director of MIPS Computer Systems, Inc., a RISC microprocessor developer and systems manufacturer. Mr. Ludvigson is also a Director of Jurilab, Ltd. and Kiyon, Inc. Mr. Ludvigson received a B.S. and an M.A.S. from the University of Illinois.

Robert Saltmarsh. Mr. Saltmarsh has served as Nanogen's Chief Financial Officer since January 2005. Prior to that, he had served as Nanogen's Vice President of Corporate Development since September 2004. Prior to joining Nanogen, Mr. Saltmarsh consulted for a series of start-up companies from June 2002 to August 2004 and taught entrepreneurial finance at the University of California at Riverside from January to June 2004. Previously, he was Chief Financial Officer of Riffage.com from January 2000 to December 2000. Mr. Saltmarsh also served as Vice President of Finance and Treasurer at Silicon Graphics, Inc. from January 1996 to January 2000, and prior to that was Vice President of Finance and Treasurer at Apple Computer. He received a B.A. in Economics and an M.B.A. in Finance from the University of Michigan.

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Graham Lidgard, Ph.D. Dr. Lidgard joined Nanogen as Senior Vice President, Research and Development, in January 2003 and has over 28 years of experience in the Clinical Diagnostics industry. He was previously vice president of research and development at Gen-Probe from January 1995 to June 2002 where he led the R&D organization to develop DNA probe products for blood screening and STD s as well as the fully automated probe system, TIGRIS. Prior to Gen-Probe he was a co-founder of Matritech Inc., a cancer diagnostics company in Massachusetts which he joined in January 1988, and held several positions with Coming Medical/Ciba Coming from July 1977 to January 1988 including program management, business development, marketing, technology acquisition and product development. Dr. Lidgard received his Ph.D. and B.S. in Biological Chemistry from the University of Manchester.

William L. Respass, Ph.D., J.D. Dr. Respass joined Nanogen as Senior Vice President, General Counsel, and Secretary, in April 2004 and has more than three decades of biotechnology experience in intellectual property, licensing and general corporate law. His experience includes positions as Vice President and General Counsel of AME from 2002 to 2004, Senior Vice President and General Counsel of Graviton Incorporated from 2000 to 2002, Senior Vice President and General Counsel of Ligand Pharmaceuticals Incorporated from 1988 to 2000, Vice President and General Counsel of Gen-Probe Incorporated from 1986 to 1988, Vice President and General Counsel of Hybritech Incorporated from 1983 to 1986 and Partner of Lyon & Lyon LLP, a leading intellectual property law firm. He received his J.D. from George Washington University and served as Law Clerk and Technical Advisor to the Honorable J. Lindsay Almond, Jr., on the United States Court of Customs and Patent Appeals. Dr. Respass also earned a Ph.D. in Organic Chemistry from Massachusetts Institute of Technology and a B.S. degree in Chemistry from Virginia Military Institute. He is a member of the American Intellectual Property Law Association and has been a frequent lecturer on intellectual property and licensing law.

Summary Compensation Information

The following table provides certain summary information concerning the compensation earned by our Chief Executive Officer and each of the four other most highly compensated executive officers of Nanogen whose salary and bonus for the 2005 fiscal year was in excess of \$100,000, for services rendered in all capacities to Nanogen and its subsidiaries for the fiscal years ended December 31, 2003, 2004 and 2005. No other executive officers who would have otherwise been includable in such table on the basis of salary and bonus earned for the 2005 fiscal year have been excluded by reason of his or her termination of employment or change in executive status during that year. The listed individuals shall be hereinafter referred to as the Named Executive Officers.

Name and Principal Position	Year	Annual Compensation		Long-Term Compensation Awards		All Other Compensation (\$) ⁽¹⁾
		Salary (\$)	Bonus(\$)	Restricted Stock Awards(\$)	Securities Underlying Options(#)	
Howard C. Birndorf Chief Executive Officer	2005	\$ 485,000	\$ 38,800 ⁽⁴⁾		150,000	\$ 2,367
	2004	\$ 485,000	\$ 115,000 ⁽⁴⁾	\$ 440,000 ⁽¹²⁾	300,000	\$ 7,328 ⁽³⁾
	2003	\$ 420,000	\$ 67,000 ⁽²⁾		325,000	\$ 46,171 ⁽³⁾
David G. Ludvigson President, Chief Operating Officer	2005	\$ 328,752	\$ 23,100 ⁽⁴⁾	\$ 220,000 ⁽¹³⁾	75,000	\$ 148,224 ⁽¹⁵⁾
	2004	\$ 277,094	\$ 235,000 ⁽⁶⁾⁽⁴⁾		450,000	\$ 1,360
	2003	\$ 167,000 ⁽⁵⁾	\$ 40,000 ⁽⁶⁾		265,000 ⁽⁷⁾	\$ 8,074 ⁽⁸⁾
Rob Saltmarsh Chief Financial Officer	2005	\$ 239,167	36,600 ⁽⁴⁾	\$ 110,000 ⁽¹⁴⁾	187,500	\$ 1,999
	2004	\$ 55,366 ⁽¹¹⁾			25,000	\$ 142 ⁽¹¹⁾
	2003					
William L. Respass Senior Vice President, General Counsel and Secretary	2005			\$ 110,000 ⁽¹⁴⁾	37,500	\$ 6,349
	2004	\$ 308,626	\$ 47,123 ⁽⁴⁾		250,000	\$ 2,723
	2003	\$ 210,385 ⁽⁹⁾	\$ 44,000 ⁽⁴⁾			
Graham Lidgard Senior Vice President, Research and Development	2005	\$ 275,000	\$ 34,719 ⁽⁴⁾	\$ 110,000 ⁽¹⁴⁾	37,500	\$ 2,376
	2004	\$ 223,965	\$ 54,000 ⁽⁴⁾		100,000	\$ 2,070
	2003	\$ 204,000 ⁽¹⁰⁾			225,000	\$ 1,750

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(1) Includes imputed income in connection with the excess group term life insurance:

	2005	2004	2003
Mr. Birndorf	\$ 2,367	\$ 2,328	\$ 2,171
Mr. Ludvigson	2,168	1,360	324
Dr. Respass	6,349	2,723	
Dr. Lidgard	2,376	2,070	1,750
Mr. Saltmarsh	\$ 1,999	\$ 142	\$