As filed with the Securities and Exchange Commission on July 24, 1997
Registration No. 333-

U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM SB-2
REGISTRATION STATEMENT
Under
THE SECURITIES ACT OF 1933

ROCKWELL MEDICAL TECHNOLOGIES, INC.
(Name of small business issuer in its charter)

Michigan	3845	38-3317208
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

28025 Oakland Oaks Drive
Wixom, Michigan 48393
Telephone: (248) 449-3353
(Address and telephone number of principal executive offices)

28025 Oakland Oaks Drive
Wixom, Michigan 48393
(Address of principal place of business or intended principal place of business)

ROBERT L. CHIOINI
President and Chief Executive Officer
Rockwell Medical Technologies, Inc.
28025 Oakland Oaks Drive
Wixom, Michigan 48393
Telephone: (248) 449-3353
(Name, address and telephone number of agent for service)

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APPROXIMATE DATE OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after this Registration Statement is declared effective.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ] _____

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ] _____

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [ ] _____

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER SECURITY(1)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(1)
Units (each consisting of one Common Share, no par value, and two Warrants).....	1,725,000(2)	$4.20	$7,245,000
Common Shares issuable upon exercise of Warrants.....	3,450,000(3)	$4.50	$15,525,000
Underwriter Warrants to purchase Units (each consisting of one Common Share, no par value, and two Warrants).....	150,000(3)	$.000067	$10.00
Underwriter Units (each consisting of one Common Share, no par value, and two Warrants).....	150,000(3)	$5.04	$756,000
Common Shares issuable upon exercise of Underwriter Warrants.....	300,000(3)	$4.50	$1,350,000
Total Registration Fee.....			

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT OF REGISTRATION FEE
Units (each consisting of one Common Share, no par value, and two Warrants).....	$2,195.45
Common Shares issuable upon exercise of Warrants.....	$4,704.55
Underwriter Warrants to purchase Units (each consisting of one Common Share, no par value, and two Warrants).....	(4)
Underwriter Units (each consisting of one Common Share, no par value, and two Warrants).....	$229.09
Common Shares issuable upon exercise of Underwriter Warrants.....	$409.09
Total Registration Fee.....	$7,538.18

(1) Estimated solely for the purpose of calculating the registration fee, based on a bona fide estimate of the maximum public offering price pursuant to Rule 457(a) promulgated under the Securities Act of 1933.

(2) Includes 225,000 Units which may be purchased by the Underwriters to cover over-allotments, if any.

(3) Pursuant to Rule 416, there are also being registered such indeterminate number of additional shares as may become issuable pursuant to the anti-dilution provisions of the Warrants and the Underwriter Warrants (and the Warrants included therein).

(4) Pursuant to Rule 457(g) promulgated under the Securities Act of 1933, no filing fee is required.

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933 OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

SUBJECT TO COMPLETION, DATED JULY 24, 1997

PROSPECTUS

ROCKWELL MEDICAL TECHNOLOGIES, INC.

1,500,000 UNITS
CONSISTING OF 1,500,000 COMMON SHARES AND
3,000,000 COMMON SHARE PURCHASE WARRANTS.

Each unit ("Unit") of Rockwell Medical Technologies, Inc. (the "Company") consists of (i) one of the Company's common shares, no par value (the "Common Shares"), and (ii) two redeemable common share purchase warrants (the "Warrants"), which are transferable separately immediately upon issuance. Each Warrant entitles the registered holder thereof to purchase one Common Share at an exercise price of $4.50 per share, subject to adjustment in certain events, at any time during the period commencing one year from the date upon which the Registration Statement of which this Prospectus forms a part is declared effective by the Securities and Exchange Commission (the "Effective Date") and expiring on the fourth anniversary of the Effective Date. The Warrants are subject to redemption by the Company for a redemption price of $.10 per Warrant at any time commencing one year from the Effective Date (with the prior consent of Maidstone Financial, Inc. (the "Underwriter")) on no less than 30 days prior written notice to the holders of the Warrants, provided the closing bid price of the Common Shares had been greater than $8.50 per share for 20 consecutive trading days ending on the third day prior to the date on which the Company gave notice of redemption. The Warrants will be exercisable until the close of business on the day immediately preceding the date fixed for redemption. See "Description of Securities." The Common Shares and Warrants offered hereby are collectively referred to as the "Securities."

Prior to this offering ("Offering"), there has been no public market for the Units, the Common Shares or the Warrants, and there can be no assurance that any such market for the Units, the Common Shares or the Warrants will develop after the closing of the Offering, or that, if developed, it will be sustained. The offering price of the Units and the exercise price and the other terms of the Warrants were established by negotiations between the Company and the Underwriter and do not necessarily bear any direct relationship to the Company's asset value, earnings, book value per share or other generally accepted criteria of value. See "Underwriting". It is expected that the initial public offering price will be $4.20 per Unit.

THE SECURITIES OFFERED HEREBY ARE SPECULATIVE AND INVOLVE A HIGH DEGREE OF RISK AND IMMEDIATE AND SUBSTANTIAL DILUTION TO THE PUBLIC. ONLY INVESTORS WHO CAN BEAR THE RISK OF LOSS OF THEIR ENTIRE INVESTMENT SHOULD INVEST. FOR A DESCRIPTION OF CERTAIN RISKS REGARDING AN INVESTMENT IN THE COMPANY AND IMMEDIATE SUBSTANTIAL DILUTION, SEE "RISK FACTORS" COMMENCING ON PAGE 8 AND "DILUTION" AT PAGES 17-18.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	PRICE TO PUBLIC	UNDERWRITING DISCOUNTS AND COMMISSIONS(1)	PROCEEDS TO COMPANY(2)
Per Unit	$	$	$
Total(3)	$	$	$

(footnotes appear on page 2)

MAIDSTONE FINANCIAL, INC.

MAIDSTONE LOGO

The date of this Prospectus is , 1997

(1) Does not include additional compensation to be received by the Underwriter consisting of (i) a non-accountable expense allowance payable to the Underwriter in the amount of $189,000 ($217,350 if the Over-Allotment Option (as defined below), is exercised in full), or $0.126 per Unit, (ii) warrants (the "Underwriter Warrants") entitling the Underwriter to purchase up to 150,000 Units for a purchase price of $5.04 per Unit (120% of the initial public offering price), exercisable at any time during the period commencing one year from the Effective Date and expiring on the fourth anniversary of the Effective Date, and (iii) a financial advisory agreement with the Underwriter for 24 months commencing on the date of the closing of the Offering for a fee of $4,166 per month, or an aggregate of $99,984, payable in its entirety at the closing of the Offering. In addition, the Company has (i) granted to the Underwriter, effective upon completion of this Offering, a right of first refusal for a period of three years after the Effective Date for any public or private offering of securities by the Company, its affiliates or any present or future subsidiaries to raise capital, and (ii) agreed to pay the Underwriter, under certain circumstances, a warrant solicitation fee of 5% of the exercise price of each Warrant exercised and to indemnify the Underwriter against certain civil liabilities, including those arising under the Securities Act of 1933, as amended (the "Securities Act"). See "Underwriting."

(2) After deducting discounts and commissions payable to the Underwriter, but before deducting the expenses of this Offering payable by the Company, estimated at $700,000 (approximately $0.47 per Unit), including the Underwriter's non-accountable expense allowance and the financial advisory fee. See "Underwriting."

(3) The Company has granted the Underwriter an option, exercisable for a period of 45 days after the Effective Date, to purchase up to an additional 225,000 Units, upon the same terms and conditions as the Units being offered by this Prospectus solely for the purpose of covering over-allotments, if any (the "Over-Allotment Option"). If the Over-Allotment Option is exercised in full, the total Price to Public, Underwriting Discounts and Commissions and Proceeds to Company will be $7,245,000, $724,500 and $6,520,500, respectively. See "Underwriting."

The Units are being offered by the Underwriter on a "firm commitment" basis, subject to prior sale, when, as and if delivered to the Underwriter and subject to certain conditions. Subject to the provisions of the underwriting agreement between the Underwriter and the Company, the Underwriter reserves the right to withdraw, cancel or modify the Offering and to reject any order in whole or in part. It is expected that delivery of certificates representing the Common Shares and the Warrants will be made against payment therefor at the offices of the Underwriter, 101 East 52nd Street, New York, New York 10022, on or about , 1997.

CERTAIN PERSONS PARTICIPATING IN THE OFFERING MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE PRICE OF THE UNITS, THE COMMON SHARES AND THE WARRANTS OFFERED HEREBY, INCLUDING PURCHASES OF THE UNITS, THE COMMON SHARES OR THE WARRANTS TO STABILIZE THEIR MARKET PRICES, PURCHASES OF THE UNITS, THE COMMON SHARES OR THE WARRANTS TO COVER SOME OR ALL OF A SHORT POSITION IN THE UNITS, THE COMMON SHARES OR THE WARRANTS MAINTAINED BY THE UNDERWRITER AND PENALTY BID TRANSACTIONS. FOR A DESCRIPTION OF THESE ACTIVITIES, SEE "UNDERWRITING."

ADDITIONAL INFORMATION

The Company has filed with the Securities and Exchange Commission (the "Commission") a Registration Statement on Form SB-2 under the Securities Act with respect to the securities offered hereby (the "Registration Statement"). This Prospectus does not contain all the information set forth in the Registration Statement and the exhibits thereto as permitted by the Rules and Regulations of the Commission. For further information with respect to the Company and such securities, reference is made to the Registration Statement and to the exhibits filed therewith. Statements contained in this Prospectus as to the contents of any contracts or other documents referred to herein are not necessarily complete and where such contract or other document is an exhibit to the Registration Statement, each such statement is qualified in all respects by the provisions of such exhibit to which reference is made for a full statement of the provisions thereof. The Registration Statement, including exhibits filed therewith, may be inspected, without charge, at the principal office of the Commission located at 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549. Copies of all or any part of the Registration Statement (including the exhibits thereto) also may be obtained from the Public Reference Section of the Commission at the its principal office in Washington, D.C., at the Commission's prescribed rates. Electronic registration statements made through the Electronic Data Gathering Analysis and Retrieval system are publicly available through the Commission's web site at http://www.sec.gov.

Before the Effective Date, the Company was not obligated to file periodic reports with the Commission under Section 15(d) or 13(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Company intends to furnish its shareholders and holders of the Warrants with annual reports containing audited financial statements and such other reports as the Company deems appropriate or as may be required by law.

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by reference to the more detailed information, financial statements and related notes appearing elsewhere in this Prospectus. Each prospective investor is urged to read this Prospectus in its entirety and carefully consider the information set forth under the heading "Risk Factors." Unless the context requires otherwise, all references herein to the Company include Rockwell Medical Technologies, Inc., a Michigan corporation, and Rockwell Transportation, Inc., a Michigan corporation, a wholly-owned subsidiary of the Company. Except as otherwise stated, all information assumes no exercise of the Over-Allotment Option.

THE COMPANY

Rockwell Medical Technologies, Inc. manufactures hemodialysis concentrates and dialysis kits, and sells, distributes and delivers such concentrates and dialysis kits, as well as other hemodialysis products, to hemodialysis providers in the United States and Venezuela. Hemodialysis is a process which duplicates kidney function in patients whose kidneys have failed to function properly. Without properly functioning kidneys, the patient's body cannot rid itself of excess water and waste products nor regulate the amount of electrolytes in the patient's blood. Without hemodialysis, these patients would die.

Hemodialysis patients generally receive their treatment at hospitals or independent hemodialysis providers. According to the United States Department of Health and Human Services (the "DHHS"), since 1973 the total number of hemodialysis providers in the U.S. has more than quintupled from 606 in 1973 to over 3,082 in December 1996. Independent providers comprised 2,212 of such providers and hospitals comprised 746 of such providers. The Company currently supplies over 220 hemodialysis providers in 18 states across the United States, as well as hemodialysis providers in Venezuela. The number of patients receiving hemodialysis has also grown substantially in recent years. According to the DHHS, in 1985, there were approximately 68,390 patients receiving hemodialysis treatments in the United States. It is estimated by the DHHS that in 1996 over 216,000 patients received hemodialysis treatments. According to the DHHS, from 1985 to 1996, the number of hemodialysis stations, which are areas equipped to provide adequate and safe dialysis therapy, grew from 17,845 stations to 45,244 stations.

A hemodialysis station contains a dialysis machine that takes a concentrate solution and certain chemical powders and accurately dilutes them with purified water. The resulting solution, known as dialysate, is them pumped through a device known as an artificial kidney (dialyzer), while at the same time, the patient's blood is pumped through a membrane within the dialyzer. Excess water and chemicals from the patient's blood pass through the membrane and are carried away in the dialysate while certain chemicals in the dialysate pass through the membrane into the patient's blood to maintain proper chemical levels in the body. In addition to using concentrate solutions and chemical powders (which must be replaced for each use by each patient), a dialysis station also requires various other ancillary products such as dialysis on-off kits, sterile subclavian dressing change trays, arterial and venous blood tubing lines, fistula needles, intravenous administration sets, transducer protectors, dialyzers and over 120 other ancillary products, all of which the Company sells.

The Company's objective is to increase its market share in the expanding hemodialysis market and become profitable by (i) acting as a single source supplier to hemodialysis clinics by offering over 120 different products used by hemodialysis providers, (ii) increasing revenue by manufacturing and/or distributing new products which may offer the Company opportunities to earn higher profit margins than some of the Company's existing products, and generating "back-haul" revenue from its trucking operations, and (iii) using its own delivery vehicles and drivers to deliver its products, thereby offering a high level of customer service to hemodialysis providers.

The Company is a Michigan corporation, incorporated on October 25, 1996. On February 19, 1997, the Company acquired substantially all of the assets of Rockwell Medical Supplies, LLC (the "Supply Company") and of Rockwell Transportation, LLC (the "Transportation Company") (collectively, the "Predecessor Company" or "Sellers") used in connection with the business of manufacturing hemodialysis

concentrates and dialysis kits and distributing and delivering these and other products to hemodialysis clinics. The Predecessor Company began operations in January 1996.

In connection with the acquisition of the business of the Predecessor Company, the Company has issued 1,416,664 shares of non-voting Series A Preferred Stock, $1.00 par value per share (the "Series A Preferred Stock"), to the Supply Company, which Series A Preferred Stock pays an 8.5% cumulative dividend. The Company has an obligation to redeem the Series A Preferred Stock on or before January 31, 1998 (the "Mandatory Redemption Date"). See "Certain Transactions -- Acquisition of Business of Predecessor Company" and Note 9 of Notes to Consolidated Financial Statements included in this Prospectus. The Company intends to use a portion of the net proceeds of the Offering to redeem the Series A Preferred Stock. See "Use of Proceeds."

The executive offices of the Company are located at 28025 Oakland Oaks, Wixom, Michigan 48393 (telephone number (248) 449-3353).

THE OFFERING

Securities Offered.....	1,500,000 Units each consisting of one Common Share and two redeemable Warrants. Each Warrant entitles the holder thereof to purchase one Common Share at an exercise price of $4.50, subject to adjustment in certain events. The Warrants are separately tradeable and transferable upon issuance. See "Description of Securities" and "Underwriting."
Offering Price.....	$4.20 per Unit.
Terms of Warrants:	
Exercise price.....	$4.50 per share, subject to adjustment in certain events. See "Description of Securities -- Warrants."
Exercise period.....	Any time during the period commencing one year after the Effective Date and ending on the fourth anniversary of the Effective Date.
Redemption.....	Redeemable by the Company, with the prior written consent of the Underwriter, at a price of $.10 per Warrant upon not less than 30 days prior written notice to the holders of the Warrants at any time commencing one year after the Effective Date, provided the closing bid price of the Common Shares had been greater than $8.50 for 20 consecutive trading days ending on the third day prior to the date upon which the Company gives notice of redemption. See "Description of Securities -- Warrants."
Common Shares Outstanding:	
Prior to the Offering....	3,015,000 Common Shares. (1)
After the Offering.....	4,609,286 Common Shares. (1)(2)
Use of Proceeds.....	The net proceeds of the Offering will be used (i) to redeem 1,416,664 shares of Series A Preferred Stock for a total redemption price of approximately $1,453,458 (assuming the redemption occurs on September 19, 1997), (ii) to purchase equipment, (iii) to pay approximately $200,000 of accounts payable and accrued expenses, and (iv) for working capital, including the financing of marketing and sales activities. See "Use of Proceeds."
Risk Factors.....	Investment in the Securities offered hereby involves a high degree of risk and immediate substantial dilution to public investors. See "Risk Factors" and "Dilution."

Proposed Nasdaq SmallCap
Market Symbols:..... Units -- ; Common Shares -- ;
Warrants -- .

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(1) Does not include (i) 520,000 Common Shares reserved for issuance upon exercise of outstanding warrants (the "Bridge Warrants"), at an exercise price of $4.50 per share, which Bridge Warrants are exercisable at any time commencing one year from the Effective Date and ending on the fourth anniversary of the Effective Date and will be automatically converted into warrants having terms identical to the Warrants offered hereby on the Effective Date, (ii) 450,000 Common Shares reserved for issuance under the Company's 1997 Stock Option Plan, under which options to acquire an aggregate of 295,000 Common Shares have been granted, and (iii) 94,286 Common Shares (the "Additional Shares") to be issued to investors in the First Prior Financing (as defined below). See "Management -- Compensation -- -- Compensation of Directors" and "Description of Securities -- Prior Financings."

(2) Includes the 94,286 Additional Shares. See "Description of Securities -- Prior Financings." Does not include (i) 3,000,000 Common Shares reserved for issuance upon exercise of the Warrants, and (ii) 450,000 Common Shares reserved for issuance upon exercise of the Underwriter Warrants and upon exercise of the 300,000 underlying Warrants. See "Description of Securities" and "Underwriting."

SUMMARY COMBINED/CONSOLIDATED FINANCIAL INFORMATION
(IN WHOLE DOLLARS)

COMBINED/CONSOLIDATED STATEMENT OF INCOME (LOSS) DATA:

	PREDECESSOR COMPANY(1)		COMPANY
	FOR THE YEAR ENDED DECEMBER 31, 1996(2)	FROM JANUARY 1 TO FEBRUARY 19, 1997	FROM INCEPTION TO MAY 31, 1997(3)
Total Sales	$ 1,019,856	$ 343,555	$ 795,271
Cost of Sales	1,617,363	529,121	1,103,088
Gross Margin (Deficit)	(597,507)	(185,566)	(307,817)
Selling, General and Administrative	773,344	177,015	421,060
Operating Loss	(1,370,851)	(362,581)	(728,877)
Interest Expense, Net	12,634	3,438	43,512
Net Loss	$(1,383,485)	$(366,019)	$ (772,389)
Net Loss Per Common Share (4)			$ (0.30)
Weighted Average Number of Common Shares Outstanding			2,617,553

COMBINED/CONSOLIDATED BALANCE SHEET DATA:

	PREDECESSOR COMPANY(1)		COMPANY	
			MAY 31, 1997	
	DECEMBER 31, 1996	FEBRUARY 19, 1997	ACTUAL	AS ADJUSTED(5)
Cash	$ 65,978	$ 44,270	$ 0	$1,903,539
Working Capital (Deficit)(6)	(2,120,969)	(2,429,316)	43,164	2,146,703
Total Assets	1,391,659	1,197,974	3,467,257	7,170,796
Series A Preferred Stock	--	--	1,416,664	--
Accumulated Deficit	(1,442,412)	(1,808,431)	(772,389)	(772,389)
Total Shareholders' Equity (Deficiency)	(1,392,412)	(1,758,431)	1,333,961	6,654,164

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(1) The financial statements of the Predecessor Company are presented on a combined basis as they are entities under common control.

(2) The Predecessor Company was formed in 1995. The Predecessor Company engaged in limited activity in 1995, consisting primarily of the purchase of certain equipment, the payment of a facility lease deposit, and the payment of $58,927 for certain start-up expenses.

(3) The Company was incorporated on October 25, 1996 and engaged in organizational matters until the acquisition of the Predecessor Company which was consummated at the close of business on February 19, 1997.

(4) See Note 2 of Notes to Consolidated Financial Statements included in this Prospectus for information with respect to the calculation of per share data.

(5) Adjusted to reflect the sale of 168,333 Common Shares from the Second Prior Financing (as defined below) issued subsequent to May 31, 1997 and the sale of 1,500,000 Units offered hereby at the assumed public offering price of $4.20 per Unit and the receipt and application of the estimated net proceeds from such sale, including the redemption of the Series A Preferred Stock, including accrued dividends. See "Use of Proceeds" and "Capitalization."

(6) Working Capital (Deficit) for Predecessor Company includes the Obligation Payable to Members of $1,868,149 at December 31, 1996 and at February 19, 1997.

RISK FACTORS

The securities offered hereby are highly speculative in nature, involve a high degree of risk and should be purchased only by persons who can afford to lose their entire investment. Each prospective investor should carefully consider the following risk factors, as well as all other information set forth in this Prospectus, before making an investment decision.

1. CONTINUING LOSSES; ACCUMULATED DEFICIT; NEGATIVE GROSS MARGINS. Since inception, the Company (including the business engaged in by the Predecessor Company) has experienced losses and negative gross margins. Since inception through May 31, 1997, the Company has incurred an accumulated deficit of $772,389, including a net loss of $772,389 (on sales of $795,271) for such period. On a cumulative basis, the businesses of the Company and the Predecessor Company have incurred an accumulated deficit of $2,580,820, including a net loss of $2,521,893 (on sales of $2,158,682). In addition, the Company experienced a gross margin deficit of $307,817 for the period from inception to May 31, 1997. There can be no assurance that the Company will ever operate profitably. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Plan of Operation" and Note 3 of the Notes to Consolidated Financial Statements appearing elsewhere herein.

2. LOSSES ASSOCIATED WITH THE COMPANY'S TRANSPORTATION BUSINESS. As a result of operating its own fleet of trucks to deliver its products, the Company's costs of delivery have been significantly in excess of the costs that the Company would have incurred had it used common carriers to deliver its products. While the Company has implemented plans to improve its operating efficiencies and to seek additional revenue from its trucking operations by contracting for its trucks to act as common carriers during their return to the Company's manufacturing facility after delivery of the Company's products, no assurance can be given that the Company will be successful in improving such operations or obtaining sufficient revenue to offset the additional costs of the Company's transportation business. If the Company were unsuccessful in improving such operations or obtaining sufficient additional transportation-related revenue to offset such additional costs, the Company may be forced to abandon its strategy of using its own trucks to deliver its products. In such event, the Company is unable to predict what effect, if any, such change in strategy would have on the Company's customers and the ability of the Company to successfully market its products. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business -- Trucking Operations."

3. "GOING CONCERN UNCERTAINTY." Due to the Company's history of losses, negative gross margins and its current financial condition, the Company's independent auditors' report expresses an uncertainty concerning the Company's ability to continue as a going concern. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Report of Independent Accountants" on the Company's Consolidated Financial Statements appearing at page F-2 hereof.

4. LIMITED OPERATING HISTORY. The Company commenced operations in February 1997 when it consummated the purchase of the assets of the Predecessor Company. The Predecessor Company commenced operations in January 1996. Accordingly, the Company has a limited operating history upon which an evaluation of its business and prospects can be based. An investment in the securities of the Company is subject to all of the risks involved in a newly established business venture. Potential investors should evaluate the Company in light of the problems, delays, expenses and difficulties frequently encountered by companies at this early stage of operations, many of which may be beyond the Company's control, including, but not limited to, those relating to marketing, competition, and unanticipated problems and additional costs relating to the Company's operations.

5. SUBSTANTIAL PORTION OF PROCEEDS USED TO REDEEM SERIES A PREFERRED STOCK AND TO PAY CURRENT LIABILITIES. $1,453,458 (29.2%) of the net proceeds of the Offering will be used to redeem the Company's Series A Preferred Stock, assuming it is redeemed on September 19, 1997. In addition, approximately $200,000 (4.0%) of the net proceeds of the Offering are budgeted to pay accounts payable and accrued liabilities incurred in the Company's operations and not related to this Offering. Accordingly, fewer proceeds will be available to the Company for future operations and marketing activities or for working capital. See "Use of Proceeds."

6. COMPETITION. The Company is involved in a field characterized by intense competition in which the Company will be selling products that are the same as those readily available from more established companies which have substantially greater financial, technical, manufacturing, marketing, research and development and management resources than those of the Company. There can be no assurance that the Company will be able to compete successfully in the future. See "Business -- Competition."

7. POSSIBLE DELISTING. The Nasdaq Stock Market has proposed amendments to its rules which, if adopted, would increase the eligibility and maintenance criteria for The Nasdaq SmallCap Market. Under the proposed rules, in order to qualify for initial listing in The Nasdaq SmallCap Market, a company must, among other things, have (i) at least one year of operating history (or have at least $50 million in market capitalization), (ii) net tangible assets (i.e., total assets less total liabilities and goodwill) of at least $4 million (or net income in two of the most recent three fiscal years of at least $750,000, or a market capitalization of $50 million), (iii) a market value of public float (shares held by non-affiliates of the Company) of at least $5 million, (iv) a minimum bid price of $4.00, and (v) at least 300 shareholders. The Nasdaq Stock Market, Inc. has announced that these new standards will apply retroactively, if adopted. If and when the proposed rules are adopted, it is possible that the Company will be unable to satisfy the revised listing criteria because the Company does not currently meet the one year operating history requirement and there can be no assurance that the Company will meet the other listing criteria after it has one year of operating history. If the Company does not satisfy the revised listing criteria, the Company's securities could be subject to delisting.

Even if the Company's securities meet the requirements for initial inclusion in The Nasdaq SmallCap Market, there can be no assurance that they will meet the maintenance criteria for continued listing. Existing maintenance criteria require, among other things, that an issuer have total assets of $2 million and total equity of $1 million and that the listed security has a minimum bid price of $1.00 (or at least $2 million in capital surplus and a market value of public float of at least $1 million). The proposed amendment would require, among other things, that an issuer have net tangible assets of $2 million (or alternatively net income of $500,000 in two of the most recent three fiscal years, or a market capitalization of $35 million) and that the listed security has a minimum bid price of $1.00. If the Company is unable to satisfy The Nasdaq SmallCap maintenance criteria in the future, the Units, the Common Shares and Warrants may be delisted from trading on The Nasdaq SmallCap Market.

If the Company's securities are delisted from the Nasdaq SmallCap Market, trading, if any, would thereafter be conducted in the over-the-counter market in the so-called "pink sheets" or the "Electronic Bulletin Board" of the National Association of Securities Dealers, Inc. ("NASD"), and, consequently, an investor could find it more difficult to dispose of, or to obtain accurate quotations as to the price of, the Company's securities. In addition, if the Company's securities are delisted from The Nasdaq SmallCap Market, they would be subject to a rule that imposes additional sales practice requirements on broker-dealers who sell such securities to persons other than established customers and accredited investors (generally institutions and persons with net worth in excess of $1,000,000 or annual income exceeding $200,000, or $300,000 together with their spouse). For transactions covered by this rule, the broker-dealer must make disclosures to the purchaser, make a special suitability determination for the purchaser and have received the purchaser's written consent to the transaction prior to purchase. Consequently, the rule may restrict the ability of broker-dealers to sell the Company's securities and may affect the ability of holders of the Company's securities, including purchasers in this Offering, to sell such securities in the secondary market. Delisting from The Nasdaq SmallCap Market may also cause a decline in share price, loss of news coverage of the Company and difficulty in obtaining subsequent financing.

8. GOVERNMENT REGULATION. The testing, manufacture and sale of medical products, such as the hemodialysis concentrates manufactured by the Company, as well as the ancillary products for hemodialysis distributed by the Company, are subject to extensive regulation by the Food and Drug Administration ("FDA") pursuant to the Federal Food Drug and Cosmetic Act ("FDC Act"), and by other federal, state and foreign authorities. Pursuant to the FDC Act, and the regulations promulgated thereunder, the FDA regulates the preclinical and clinical testing, manufacture, labeling, distribution and promotion of medical devices. Under the FDC Act, medical devices must receive either 510(k) clearance or PMA approval before they may be commercially marketed in the United States. Noncompliance with applicable requirements can

result in, among other things, fines, injunctions, civil penalties, recall or seizure of products, total or partial suspension of production, failure of the government to grant premarket clearance or premarket approval for devices, withdrawal of marketing clearances or approvals and criminal prosecution, any of which actions could have an adverse effect on the Company's business, financial condition or results of operations.

The Company's hemodialysis concentrates have FDA clearance. There can be no assurance, however, that current FDA clearances for the Company's concentrates will not be rescinded or that, if and when any additional products are developed by the Company or the Company modifies its existing concentrates, they will receive FDA clearance. If any current or future clearances or approvals are rescinded or denied, sales of the affected products in the United States would be prohibited during the period the products do not have such clearances. There can be no assurance that the Company will be able to obtain necessary regulatory approvals or clearances on a timely basis or at all, and delays in receipt of or failure to receive such approvals or clearances, the loss of previously received approvals or clearances, limitations on intended use imposed as a condition of such approvals or clearances, any limitations on the Company's market required by any clearances, any resulting delays in market introduction or failure to comply with existing or future regulatory requirements would have an adverse effect on the Company's business, financial condition and results of operations. In addition, new FDA-related legislation or new FDA regulations could impose additional regulatory requirements including, but not limited to, imposing significant fees for seeking market clearance or approval for medical devices. See "Business -- Government Regulation."

The Company's products are subject to strict federal regulations regarding the quality of manufacturing known as Good Manufacturing Practices ("GMP"). The FDA conducts periodic inspections and surveillance of the manufacturing and the packaging facilities of medical device manufacturers to determine compliance with GMP. No assurance can be given that, when the Company is inspected, it will be found to be in compliance with GMP. In addition, the Medical Device Reporting ("MDR") regulation obligates the Company to report to the FDA any incident in which its product may have caused or contributed to a death or serious injury, or in which its product malfunctioned and, if the malfunction were to recur, it would be likely to cause or contribute to a death or serious injury. Changes in existing requirements or adoption of new requirements could have an adverse effect on the Company's business, financial condition and results of operations. There can be no assurance that the Company will not incur significant costs to comply with laws and regulations in the future or that laws and regulations will not have an adverse effect upon the Company's business, financial condition and results of operation. If, as a result of FDA inspections, MDR reports or other information, the FDA believes that the Company is not in compliance with applicable laws and regulations, the FDA can institute proceedings or recall, detain or seize products, totally or partially suspend production, enjoin future violations, or assess civil and/or criminal fines and penalties against the Company, its officers or employees. Any action by the FDA could result in disruption of the Company's operations for an indeterminate period of time and have a material adverse affect on the Company's business, financial condition and results of operations. See "Business -- Government Regulation."

9. ADVERSE EFFECT OF REDEMPTION OF WARRANTS. The Warrants are subject to redemption by the Company on 30 days prior written notice under certain conditions. If the Warrants are so redeemed, Warrant holders will lose the right to exercise the Warrants so redeemed, except during such 30-day notice period. Redemption of the Warrants could force the holders to exercise the Warrants and pay the exercise price at a time when it may be disadvantageous for the holders to do so, to sell the Warrants at the current market price for the Warrants when they might otherwise wish to hold the Warrants, or to accept the redemption price, which is likely to be substantially less than the market value of the Warrants at the time of redemption. See "Description of Securities -- Warrants."

10. NON-REGISTRATION IN CERTAIN JURISDICTIONS OF COMMON SHARES UNDERLYING THE WARRANTS; EXERCISE OF WARRANTS. The Warrants, which are part of the Units offered hereby, will be detachable immediately from the Units and separately tradeable. Although the Units will not knowingly be sold to purchasers in jurisdictions in which the Units are not registered or otherwise qualified for sale, purchasers may buy Units or Warrants in the after-market or may move to jurisdictions in which the shares underlying the Warrants are not so registered or qualified during the period that the Warrants are exercisable. In this event, the Company would be unable to issue Common Shares to those persons desiring to exercise their Warrants unless and until such shares could be qualified for sale in jurisdictions in which such purchasers reside, or an exemption to such qualification

exists in such jurisdiction. No assurances can be given that the Company will be able to effect any required registration or qualification.

In addition, investors purchasing Units in this Offering will not be able to exercise the Warrants unless at the time of exercise this registration statement is current and the Common Shares issuable upon exercise of such Warrants have been qualified or deemed to be exempt under the securities laws of the state of residence of the holder of such Warrants. There can be no assurance that such shares can be qualified on or before the exercise date or that the Company will maintain a current prospectus relating thereto until the expiration of the Warrants.

11. DEPENDENCE ON KEY PERSONNEL. The success of the Company is materially dependent upon the efforts of Robert L. Chioini, the Company's President and Chief Executive Officer. The Company and Mr. Chioini have entered into a three-year employment agreement expiring in February 2000, and the Company maintains a key-man life insurance policy on the life of Mr. Chioini in the amount of $1,000,000. If the Company were to lose the services of Mr. Chioini, such event could materially and adversely affect the Company's business, financial condition and results of operations. See "Management -- Employment Agreement."

12. POSSIBLE INSUFFICIENCY OF INSURANCE. As a supplier of medical products, the Company may face potential liability from a person who claims that he or she suffered physical harm as a result of the use of the Company's products. If litigation is initiated because of such harm, the Company may be sued, and regardless of whether it is ultimately determined to be liable, the Company may incur significant legal expenses not covered by insurance. In addition, product liability litigation could damage the Company's reputation and therefore impair its marketing ability. Such litigation could also impair the Company's ability to retain products liability insurance or make such insurance more expensive. The Company maintains products liability insurance in the amount of $5 million per occurrence and $6 million in the aggregate. The Company believes that its current insurance will be sufficient to cover any potential liabilities to the Company arising from its business and operations. There is, however, no assurance that the Company can retain such insurance or that such insurance would be sufficient to protect the Company against liabilities associated with its business. In the event of an uninsured or inadequately insured product liability claim in the future, the Company's business financial condition and results of operations could be adversely affected.

13. ABSENCE OF PUBLIC MARKET; ARBITRARY DETERMINATION OF OFFERING PRICE. Prior to this Offering, there has been no public market for the Company's Units, Common Shares or Warrants and there can be no assurance that a regular trading market will develop for any or all of these securities upon completion of this Offering. The public offering price for the Units and the exercise price of the Warrants have been determined by negotiation between the Company and the Underwriter and are not necessarily related to the Company's asset value, net worth or other established criteria of value. See "Underwriting."

14. SUBSTANTIAL DILUTION; PURCHASE OF COMMON SHARES BY INSIDERS AT BELOW OFFERING PRICE. A purchaser in this Offering will experience immediate and substantial dilution of $3.17 per share (approximately 75%) in that the offering price exceeds the net tangible book value of the Company after giving effect to the Offering. The Common Shares held by the Company's Principal Shareholders were purchased for prices significantly lower than the public offering price. Accordingly, investors in the Offering will bear a disproportionate share of the risk of an investment in the Company. See "Dilution."

15. VOTING CONTROL; POTENTIAL ANTI-TAKEOVER EFFECT. Upon the completion of this Offering, the officers and directors of the Company will beneficially own approximately 43.4% of the Company's voting shares (assuming no exercise of any options granted to such officers and directors). Accordingly, they may be able to effectively elect all of the directors of the Company and control the Company's affairs. The Company's shareholders do not have the right to cumulative voting in the election of directors. The Board of Directors has the authority, without further approval of the Company's shareholders, to issue shares of preferred stock, no par value per share (the "Preferred Stock"), having such rights, preferences and privileges as the Board of Directors may determine. Any such issuance of Preferred Stock could, under certain circumstances, have the effect of delaying or preventing a change in control of the Company and may adversely affect the rights of holders of Common Shares, including by decreasing the amount of earnings and assets available for distribution to holders of Common Shares and adversely affect the relative voting power or other rights of the

holders of the Company's Common Shares. The Company has agreed with the Underwriter that, except for issuances disclosed in or contemplated by this Prospectus, it will not issue any securities, including but not limited to any shares of Preferred Stock, for a period of 24 months following the Effective Date, without the prior written consent of the Underwriter. In addition, the Company is subject to Michigan statutes regulating business combinations, takeovers and control share acquisitions which might also hinder or delay a change in control of the Company. Anti-takeover provisions that could be included in the Preferred Stock when issued and the Michigan statutes regulating business combinations, takeovers and control share acquisitions can have a depressive effect on the market price of the Company's securities and can limit shareholders' ability to receive a premium on their shares by discouraging takeover and tender offer bids. See "Principal Stockholders" and "Description of Securities -- Preferred Stock."

The Directors of the Company serve staggered three-year terms, and directors may not be removed without cause. The Company's Articles of Incorporation also set the minimum and maximum number of directors constituting the entire Board at three and fifteen, respectively, and require approval of holders of a majority of the Company's voting shares to amend these provisions. These provisions could have an anti-takeover effect by making it more difficult to acquire the Company by means of a tender offer, a proxy contest or otherwise or the removal of incumbent officers and directors. These provisions could delay, deter or prevent a tender offer or takeover attempt that a shareholder might consider in his or her best interests, including those attempts that might result in a premium over the market price for the Common Shares held by the Company's shareholders. See "Description of Securities -- Common Shares."

16. SHARES ELIGIBLE FOR FUTURE SALE. The Company is unable to predict the effect, if any, that future sales of Common Shares, or the availability of Common Shares for future sales, will have on the market price of the Common Shares from time to time. Sales of substantial amounts of Common Shares (including shares issued upon the exercise of warrants or stock options), or the possibility of such sales, could adversely affect the market price of the Units, Common Shares or Warrants and also impair the Company's ability to raise capital through an offering of its equity securities in the future. Upon completion of the Offering, the Company will have 4,609,286 Common Shares outstanding (assuming no exercise of the Underwriter Over-Allotment Option, the Warrants, the Bridge Warrants, the Underwriter Warrants and other outstanding options and warrants). Of these shares, the 1,500,000 Common Shares sold in this Offering will be freely tradeable without restriction under the Securities Act, except for any shares purchased by any person who is or thereby becomes an "affiliate" of the Company, which shares will be subject to the resale limitations contained in Rule 144 promulgated under the Securities Act. The remaining 3,109,286 Common Shares outstanding are, and the shares issuable upon exercise of the Bridge Warrants will be "restricted securities" (as that term is defined in Rule 144 promulgated under the Securities Act) which may be publicly sold only if registered under the Securities Act or if sold in accordance with an applicable exemption from registration, such as Rule 144. Officers, directors and other security holders of the Company owning and/or having rights to acquire in the aggregate Common Shares have entered into agreements (the "Lock-Up Agreements") with the Underwriter not to sell or otherwise dispose of any securities of the Company, including Common Shares, for a period of 13 months following the Effective Date, without the prior written consent of the Underwriter, which may be granted or withheld in the sole and absolute discretion of the Underwriter, subject to an exemption for certain tender offers. Following expiration of the term of the Lock-Up Agreements, 3,109,286 shares will become eligible for resale pursuant to Rule 144, subject to the volume limitations and compliance with the other provisions of Rule 144. Furthermore, the holders of the Underwriter Warrants (including the securities issuable upon exercise thereof) have demand and piggyback registration rights with respect to the Common Shares issuable upon exercise of the Underwriter Warrants and the underlying Warrants, which Common Shares have been registered by the Company on the Registration Statement on Form SB-2 of which this Prospectus is a part. The Company also intends to register the Common Shares issuable upon the exercise of options available under the Company's 1997 Stock Option Plan; which shares will become, upon registration, freely tradeable subject to the Lock-Up Agreements. In addition, the investors in the First Prior Financing and the investors in the Second Prior Financing have piggy-back registration rights with respect to their Common Shares, Bridge Warrants and the underlying Common Shares. These rights have been waived in connection with this Offering, but any future exercise of these rights could involve substantial expense to the Company and may adversely affect the terms upon which the Company may obtain additional financing. Any

substantial sale of restricted securities pursuant to Rule 144 or a registration statement may have an adverse effect on the market price of the Units, Common Shares or Warrants. See "Description of Securities -- Registration Rights," "Description of Securities -- Warrants," "Description of Securities -- Prior Financings" and "Underwriting".

17. OUTSTANDING WARRANTS AND OPTIONS. In addition to the 3,000,000 Warrants to be issued in connection with this Offering (3,450,000 Warrants if the Over-Allotment Option is exercised in full), upon completion of this Offering the Company will sell the Underwriter the Underwriter Warrants to purchase 150,000 Units. Furthermore, the Company has outstanding Bridge Warrants to purchase an aggregate of 520,000 Common Shares. The Company has also reserved an additional 450,000 Common Shares for issuance upon exercise of options under the Company's 1997 Stock Option Plan, of which options covering an aggregate of 295,000 Common Shares have already been granted. The exercise of warrants or options and the sale of the underlying Common Shares (or even the potential of such exercise or sale) may have a depressive effect on the market price of the Common Shares and the Warrants. Holders of such warrants and options are likely to exercise them when, in all likelihood, the Company could obtain additional capital on terms more favorable than those provided by the options and warrants. Further, while its warrants and options are outstanding, the Company's ability to obtain additional financing on favorable terms may be adversely affected. In addition, exercise of such options would substantially dilute a prospective investor's investment in the Company. See "Underwriting" and "Description of Securities."

18. EFFECT OF ISSUANCE OF COMMON SHARES. Immediately after the Offering, assuming the Over-Allotment Option is not exercised, the Company will have an aggregate of approximately 10,970,714 Common Shares authorized but unissued and not reserved for specific purposes. All of such shares may be issued without any action or approval by the Company's shareholders. Although there are no present plans, agreements, commitments or undertakings with respect to the issuance of additional shares or securities convertible into any such shares by the Company (other than those currently reserved for issuance), any Common Shares issued would further dilute the percentage ownership of the Company held by the public shareholders. The Company has agreed with the Underwriter that, except for the issuances disclosed in or contemplated by this Prospectus (including issuance of the currently reserved shares), it will not issue any securities, including but not limited to any Common Shares, for a period of 24 months following the Effective Date, without the prior written consent of the Underwriter. See "Underwriting."

19. ABILITY TO MANAGE GROWTH. The Company contemplates a rapid expansion of its business. If the Company were to experience significant growth in the future, such growth would likely result in new and increased responsibilities for management personnel and place significant strain upon the Company's management, operating and financial systems and resources. To accommodate such growth and compete effectively, the Company must continue to implement and improve its operational, financial, management and information systems, procedures and controls, and to expand, train and manage its personnel. There can be no assurance that the Company's personnel, systems, procedures and controls will be adequate to support the Company's future operations. Any failure to implement and improve the Company's operational, financial, management and information systems, procedures or controls or to expand, train or manage employees or to manage effectively any actual or expected future growth, could materially and adversely affect the Company's business, financial condition and results of operations. See "Risk Factors -- Dependence on Key Personnel," "Business -- Employees" and "Management -- Directors, Executive Officers and Key Employees."

20. BROAD DISCRETION IN THE APPLICATION OF NET PROCEEDS. Approximately $1.5 million, or approximately 30.5%, of the net proceeds of the Offering have been allocated to working capital and general corporate purposes. Accordingly, management will have broad discretion with respect to that portion of the net proceeds. See "Use of Proceeds."

21. ABSENCE OF DIVIDENDS ON COMMON SHARES. Since inception, the Company has not paid any cash dividend on its Common Shares and it does not anticipate paying such dividends in the foreseeable future. The payment of dividends by the Company is within the discretion of its Board of Directors and depends upon the Company's earnings, capital requirements, financial condition and requirements, future prospects, restrictions

in future financing agreements, business conditions and other factors deemed relevant by the Board. The Company intends to retain earnings, if any, to finance its operations. See "Dividend Policy."

22. LIMITED UNDERWRITING EXPERIENCE OF UNDERWRITER. The Underwriter has served as the sole or managing underwriter of only four firm commitment public offerings and participated in two other underwritten public offerings as a member of the underwriting syndicate. Since the Underwriter's experience in underwriting firm commitment public offerings is limited, there can be no assurance that its lack of experience may not adversely affect the public offering of the Company's securities and the subsequent development, if any, of a trading market for the Company's securities. See "Risk Factors -- Underwriter's Influence on the Market; Possible Limitations on Market Making Activities."

23. INFORMAL INVESTIGATION OF UNDERWRITER. The Company has been advised that the Underwriter is subject to an informal investigation commenced in March 1996 by the Commission. To date, the Commission has only requested certain documents from the Underwriter, and the Underwriter has not been advised of the status of the investigation. There can be no assurance that a formal order of investigation will not be issued, or if issued, that sanctions will not be imposed against the Underwriter. In October 1996, the National Association of Securities Dealers, Inc. (the "NASD") commenced an examination of certain of the Underwriter's previous underwritings and has requested documents and information in connection with those underwritings. The NASD examination is ongoing and no findings have been made to date. There can be no assurance that such investigation or examination may not affect the Underwriters' ability to maintain a market in the Units, Common Shares and Warrants.

24. UNDERWRITER'S INFLUENCE ON THE MARKET; POSSIBLE LIMITATIONS ON MARKET MAKING ACTIVITIES. A significant number of Units, Common Shares and Warrants may be sold to customers of the Underwriter. Such customers subsequently may engage in transactions for the sale or purchase of such securities through or with the Underwriter or based on the recommendations of the Underwriter. The Underwriter has indicated that it intends to act as a market-maker and otherwise effect transactions in the Units, Common Shares and Warrants. To the extent the Underwriter acts as a market-maker in the Units, Common Shares and Warrants, it may exert a dominating influence in the markets for those securities. The prices and liquidity of the Units, Common Shares and Warrants may be significantly affected to the extent, if any, that the Underwriter participates in such markets. The Underwriter may discontinue such activities at any time or from time to time. The Underwriter also has the right to act as the Company's exclusive agent in connection with any future solicitation of holders of Warrants to exercise their Warrants. Applicable rules of the Commission prohibit the Underwriter and any other soliciting broker-dealers from engaging in any market making activities or solicited brokerage activities with regard to the Units, Common Shares and Warrants for a period of up to five business days prior to the solicitation of the exercise of any Warrants until the later of the termination of such solicitation activity or the termination of any right the Underwriter may have to receive a fee for the solicitation of the Warrants. As a result, the Underwriter and such soliciting broker-dealers may be unable to continue to make a market for the Units, Common Shares and the Warrants during certain periods while the Warrants are exercisable. Such a limitation, while in effect, could impair the liquidity and market price of the Units, Common Shares and the Warrants. See "Underwriting."

25. UNDERWRITER'S POTENTIAL INFLUENCE ON THE COMPANY. The Company has agreed that for a period of no less than three years from the Effective Date, the Company will engage a designee, acceptable to the Underwriter and the Company, to serve as an advisor ("Advisor") to the Company's Board of Directors. Such Advisor shall be entitled to attend all meetings of the Board of Directors, to receive all notices and other correspondence and communications sent by the Company to the Board of Directors, and to receive compensation equal to the compensation paid to non-employee directors of the Company. The Company has also agreed that, in lieu of the Underwriter's right to designate an Advisor, the Underwriter has the right to designate one person for election as a director of the Company and the Company has agreed to use its best efforts to obtain the election of such designee to the Board of Directors. The engagement of such Advisor and/or the election of such designee, if any, to the Company's Board of Directors, may enable the Underwriter to exert influence on the Company. See "Underwriting."

26. POSSIBLE VOLATILITY OF STOCK PRICE. The market price of the Company's securities may be highly volatile. Quarterly operating results of the Company, changes in the general conditions in the economy, the financial markets, or the medical products industry, changes in financial estimates by securities analysts or failure by the Company to meet such estimates, litigation involving the Company, actions by governmental agencies or other developments affecting the Company or its competitors, could cause the market price of the Company's securities to fluctuate substantially. In particular, the stock market may experience significant price and volume fluctuations which may affect the market price of the Company's securities for reasons that are unrelated to the Company's operating performance and that are beyond the Company's control.

27. LIMITED MARKETING CAPABILITY; DEPENDENCE ON SALES REPRESENTATIVES AND DISTRIBUTORS. The Company intends to market its products through its own employees and to retain independent sales representatives and distributors. The Company has only limited experience in the development and marketing of medical products, and its direct sales force consists of only one person. The Company is substantially dependent on its independent sales representatives and distributors to generate sales. Failure of independent sales representatives and distributors to market, promote and sell the Company's products would have an adverse affect on the Company's business, financial condition and results of operations.

USE OF PROCEEDS

The net proceeds to the Company from the sale of the 1,500,000 Units offered by this Prospectus (after deducting underwriting commissions and discounts and estimated offering expenses) are estimated to be approximately $4,970,000 ($5,820,500 if the Over-allotment Option is exercised in full) at the assumed public offering price of $4.20 per Unit. The Company expects to use the net proceeds of the Offering as follows:

	APPROXIMATE DOLLAR AMOUNT	APPROXIMATE PERCENTAGE
Purchase of Equipment(1)	$1,800,000	36.2%
Redemption of Series A Preferred Stock(2)	$1,453,458	29.2%
Payment of Accounts Payable and Accrued Expenses	$ 200,000	4.0%
Working Capital(3)	$1,516,542	30.6%
	$4,970,000	100%

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(1) Consists primarily of additional production equipment and supplies necessary to increase the Company's production capacity and to produce and package liquid bicarbonate, a product which the Company has recently obtained clearance from the FDA to manufacture and distribute. Also includes the purchase and/or lease of additional tractor-trailers to expand the Company's transportation capabilities to accommodate the Company's expected sales growth. The Company has no commitments to date for the purchase of any such equipment.

(2) The Series A Preferred Stock was issued in partial payment of the deferred purchase price for the Predecessor Company. See "Certain Transactions -- Acquisition of Business of Predecessor Company." Holders of Series A Preferred Stock are entitled to receive, out of funds legally available for the payment of dividends, cumulative cash dividends in the amount of $0.085 per share per year (prorated for partial years) accruing from June 1, 1997. The redemption price for the Series A Preferred Stock equals $1.00 per share plus accumulated and unpaid dividends on the redemption date. Upon completion of the Offering, the Company expects that it will redeem the Series A Preferred Stock on September 19, 1997. See "Description of Securities -- Series A Preferred Stock."

(3) Includes working capital and other ongoing selling, general and administrative expenses. See the Consolidated Financial Statements as of, and for the period ended May 31, 1997, included elsewhere in this Prospectus, for information about the Company's current working capital needs (including accounts payable and accrued expenses) and ongoing selling, general and administrative expenses.

The foregoing represents the Company's best estimate of its allocation of the net proceeds of the Offering based upon the current state of its business development and management estimates of current industry conditions. The net proceeds may be reallocated among the categories set forth above or otherwise in response to, among other things, changes in the Company's business plans, future revenues and expenses and industry, regulatory or competitive conditions. The amount and timing of expenditures will vary depending on a number of factors, including changes in the Company's contemplated operations or business plans and changes in economic and industry conditions. Any such shifts will be at the discretion of the Board of Directors and officers of the Company.

Pending such uses, the net proceeds of the Offering are expected to be invested in U.S. Government Securities or deposited in federally insured accounts of banks or money market accounts of other financial institutions, or invested in short-term, investment-grade, interest-bearing investments or other similar short-term investments.

CAPITALIZATION

The following table sets forth the capitalization of the Company (i) as of May 31, 1997 (assuming the issuance of the Series A Preferred Stock), (ii) on a pro forma basis after giving effect to the issuance of 168,333 Common Shares pursuant to the Second Prior Financing, which shares were issued between May 31, 1997 and July 15, 1997, and (iii) on a pro forma as adjusted basis after giving effect to the issuance and sale of the 1,500,000 Units in the Offering at the assumed public offering price of $4.20 per Unit, the application of the estimated net proceeds of $4,970,000 thereof, and the issuance of 94,286 Additional Shares. The information set forth below should be read in conjunction with the consolidated financial statements and notes thereto appearing elsewhere herein and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	AT MAY 31, 1997		
	ACTUAL	PRO FORMA	PRO FORMA AS ADJUSTED
Series A Preferred Stock, $1.00 par value, 1,416,664 shares authorized; 1,416,664 shares issued and outstanding at May 31, 1997 and pro forma; no shares issued and outstanding, as adjusted	$1,416,664	$1,416,664	--
Shareholders' equity:			
Preferred Stock, no par value, no shares issued and outstanding at May 31, 1997, pro forma or as adjusted	--	--	--
Common Shares, no par value, 20,000,000 shares authorized; 2,846,667 shares issued and outstanding at May 31, 1997; 3,015,000 shares issued and outstanding, pro forma; and 4,609,286 shares issued and outstanding, as adjusted(1)	2,106,350	2,493,347	7,426,553
Accumulated Deficit(2)	(772,389)	(772,389)	(772,389)
Total Shareholders' Equity	1,333,961	1,720,958	6,654,164
Total Capitalization	$2,750,625	$3,137,622	$6,654,164

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(1) Includes (i) at May 31, 1997 351,667 Common Shares issued in connection with the Second Prior Financing prior to May 31, 1997 and, on a pro forma and pro forma as adjusted basis, an additional 168,333 Common Shares issued in connection with the Second Prior Financing between May 31, 1997 and July 15, 1997, and (ii) on an as adjusted basis, the 94,286 Additional Shares to be issued to the investors in the First Prior Financing. Excludes, (i) 520,000 Common Shares issuable upon exercise of the Bridge Warrants, (ii) 450,000 Common Shares reserved for issuance under the Company's 1997 Stock Option Plan, of which options to acquire an aggregate of 295,000 Common Shares have been granted, (iii) 3,000,000 Common Shares reserved for issuance upon exercise of the Warrants, and (iv) 450,000 Common Shares reserved for issuance upon exercise of the Underwriter Warrants and upon exercise of the 300,000 underlying Warrants. See "Description of Securities" and "Underwriting."

(2) Management believes the accumulated deficit has continued to increase during the third quarter ending September 30, 1997.

DILUTION

The net tangible book value (deficit) of the Company as of May 31, 1997, on a pro forma basis assuming completion of the Second Prior Financing, was ($189,249), or ($.06) per Common Share, based on 3,015,000 Common Shares outstanding. Net tangible book value (deficit) per share is equal to the Company's total tangible assets (total assets less intangible assets) less its total liabilities, divided by the number of Common Shares outstanding. After giving effect to the sale of the 1,500,000 Units offered hereby at an assumed initial

public offering price of $4.20 per Unit (allocating no value to the Warrants included in the Units), and the application of the estimated net proceeds therefrom as described under "Use of Proceeds", the pro forma as adjusted net tangible book value of the Company at May 31, 1997 would have been $4,743,957, or $1.03 per share, based on 4,609,286 Common Shares outstanding after this Offering (including the Additional Shares to be issued to investors in the First Prior Financing). This represents an immediate increase of $1.09 per share in an adjusted net tangible book value to existing shareholders and immediate dilution of $3.17 per share from the assumed public offering price to the new investors purchasing Units in the Offering. Dilution per share represents the difference between the public offering price and the pro forma net tangible book value per share after the Offering. The following table illustrates the per share dilution to the new investors:

Assumed initial public offering price per share.....		$4.20
Net tangible book value (deficit) per share before the Offering.....	$(.06)	
Increase per share attributable to new investors.....	1.09	
Pro forma net tangible book value per share after the Offering.....		1.03
Dilution per share to new investors.....		$3.17

The following table sets forth the difference between (i) the current shareholders who are promoters, officers, directors or beneficial owners of 5% or more of the outstanding Common Shares ("Insiders"), (ii) the other present shareholders, and (iii) the new investors, with respect to the number of shares purchased from the Company, the total consideration paid (other than services) and the average price per share (assuming no exercise of the Warrants or any other outstanding options or warrants):

	SHARES PURCHASED	PERCENT OF TOTAL SHARES	CONSIDERATION PAID	PERCENT OF TOTAL CONSIDERATION PAID	AVERAGE PRICE PER SHARE
Insiders.....	2,000,000	43.4%	$ 1,000	*	**
Other present shareholders(1).....	1,109,286	24.1%	2,797,500	30.7%	$2.52
New Investors.....	1,500,000	32.5%	6,300,000	69.3%	$4.20
Total.....	4,609,286	100.0%	$9,098,500	100.0%	$1.97

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* Less than one percent.

** Less than $.01.

(1) Includes 94,286 Additional Shares to be issued to investors in the First Prior Financing. See "Description of Securities -- Prior Financings."

The foregoing assumes no exercise of the 450,000 options (reserved) and 3,970,000 warrants (outstanding) to purchase Common Shares at the closing of this Offering (see "Description of Securities"). In the event such options and warrants are exercised, investors in this Offering may experience further dilution.

DIVIDEND POLICY

The payment of dividends by the Company is within the discretion of its Board of Directors and depends in part upon the Company's earnings, capital requirements, financial condition and requirements, future prospects, restrictions in future financing agreements, business conditions and other factors deemed relevant by the Board. Since its inception, the Company has not paid any cash dividends on its Common Shares and does not anticipate paying such dividends in the foreseeable future. The Company intends to retain earnings, if any, to finance its operations.

MANAGEMENT'S DISCUSSIONS AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

The Company was formed for the purpose of acquiring substantially all the assets of Rockwell Medical Supplies, LLC, and a related entity, Rockwell Transportation, LLC. The Company acquired the Predecessor Company on February 19, 1997 for a purchase price of approximately $2.4 million. The purchase price was financed with an initial cash payment to the Predecessor Company of $150,000, a cash payment of approximately $375,000 to NBD Bank to discharge the Predecessor Company's obligation under a loan arrangement, and a $1.9 million note payable to the Predecessor Company. The Company funded the initial cash payments of $525,000 with a portion of the proceeds of a private placement of the Company's Common Shares (the "First Prior Financing"). See "Description of Securities -- Prior Financings." The balance of the $1.2 million in net proceeds raised in the First Prior Financing was used to fund the Company's net losses and capital equipment purchases.

In May through July, 1997, the Company sold an aggregate of 26 units, each unit consisting of 20,000 Common Shares and 20,000 Bridge Warrants for a purchase price of $60,000 per unit, or an aggregate of $1,560,000 (the "Second Prior Financing"). The net proceeds of the Second Prior Financing were approximately $1,248,347, of which $500,000 were used to reduce the obligation under the note payable to the Predecessor Company. The balance is being used to fund the Company's net losses and for capital equipment expenditures. The remaining balance of $1,416,664 under the note payable to the Predecessor Company was converted into 1,416,664 shares of Series A Preferred Stock.

PLAN OF OPERATION

During the next 12 months the Company plans to continue to manufacture and distribute hemodialysis concentrates and dialysis kits and distribute other hemodialysis products to hemodialysis providers. The Company intends to take advantage of the increasing number of hemodialysis providers and patients (see "Business -- General") and to implement its strategies of acting as a single source supplier, increasing revenue by selling new products and obtaining "back-haul" revenue from its trucks and offering a high level of customer service (see "Business -- Strategy") to attempt to increase its sales and market share. No assurance can be given, however, that the Company's sales or market share will increase. See "Risk Factors -- Competition."

If the Company's sales volumes increase, it expects to add additional production and administrative employees and truck drivers (see "Business -- Employees") and it expects to expand its facilities and acquire additional laboratory and production equipment. The Company also expects that it will need cash over the next 12 months (i) to redeem the Series A Preferred Stock, (ii) to fund operating losses, and (iii) for working capital and other ongoing selling, general and administrative expenses. The Company believes that cash from operations together with the net proceeds of this Offering will be sufficient to sustain the Company's operations at budgeted levels and its needs for liquidity for at least the next twelve months.

During the period from February 20, 1997 to May 31, 1997, the Company experienced a negative gross margin of approximately $308,000. Approximately $125,000 of this amount is attributable to excess costs of transportation which the Company incurred as a result of its trucking operations over the cost that the Company estimates it would have incurred had it used common carriers to deliver its products. Approximately $250,000 of cost of sales was attributable primarily to overhead costs associated with the Company's manufacturing operations.

In order to improve the Company's gross margin to a break-even point, the Company must (i) increase its revenue from manufacturing operations to approximately twice the amount generated during the period from February 20, 1997 to May 31, 1997, (ii) achieve certain planned operating efficiencies in its manufacturing operations, (iii) obtain additional revenue from its trucking operations sufficient to cover the additional costs of such operations by contracting for its trucks to act as common carriers during their return to the Company's manufacturing facility after a delivery of the Company's products, and (iv) improve the

operating efficiencies of the Company's trucking operations. If the Company is not successful in increasing its revenue from the sale of hemodialysis concentrates and other ancillary products while achieving certain planned operating efficiencies, the Company's gross margin will likely remain negative. Also, as the Company expands its trucking operations, its ability to generate "back-haul" revenue is likely to lag behind the cost increases associated with such expansion. In addition, if the Company is not successful in improving the operating efficiencies of its trucking operations or if the Company's strategy of obtaining "back-haul" revenue for its trucks to offset the additional costs of maintaining its own trucks versus using common carriers is not successful, the Company may have to abandon its strategy of using its own trucks to deliver its products to customers. In such event, the Company is unable to predict what effect, if any, such change would have on the Company's customers and the ability of the Company to successfully market its products. Even if the Company were to be successful in generating a positive gross margin, the Company will require significant additional revenue growth to fund the Company's existing and anticipated selling, general and administrative expenses and interest expense. No assurance can be given that the Company will be able to increase sales in a sufficient amount to cover such expenses, or that such expenses will not increase in the future. See "Risk Factors -- Continuing Losses; Accumulated Deficit; Negative Gross Margins."

NEW ACCOUNTING PRONOUNCEMENTS

In March 1997, the FASB issued SFAS No. 128, "Earnings per Share." This Statement establishes standards for computing and presenting earnings per share ("EPS") and applies to all entities with publicly-held common shares or potential common shares. This Statement replaces the presentation of primary EPS and fully-diluted EPS with a presentation of basic EPS and diluted EPS, respectively. Basic EPS excludes dilution and is computed by dividing earnings available to common shareholders by the weighted-average number of common shares outstanding for the period. Similar to fully diluted EPS, diluted EPS reflects the potential dilution of securities that could share in the earnings. This Statement is not expected to have a material effect on the Company's reported EPS amounts. The Statement is effective for the Company's financial statements for the year ending December 31, 1997.

BUSINESS

GENERAL

Rockwell Medical Technologies, Inc. manufactures hemodialysis concentrates and dialysis kits, and sells, distributes and delivers such concentrates and dialysis kits, as well as other hemodialysis products, to hemodialysis providers in the United States and Venezuela. Hemodialysis is a process which is able to duplicate kidney function in patients whose kidneys have failed to function properly. Without properly functioning kidneys, the patient's body cannot rid itself of excess water and waste products nor regulate the amount of electrolytes in the patient's blood. Without hemodialysis, these patients would die.

INDUSTRY BACKGROUND

Hemodialysis patients are classified into three categories: (i) "end stage renal disease patients," which are those patients who must have hemodialysis treatments for the remainder of their lives or until they receive a successful kidney transplant, (ii) "chronic patients," which are those patients who do not currently require hemodialysis treatments but are suffering a gradual and progressive loss of kidney function which typically progresses to "end stage renal disease" requiring hemodialysis treatments, and (iii) "acute patients," which are those patients who have suffered a rapid and sudden loss of kidney function and require only temporary hemodialysis until their kidneys begin to function properly again. In 1995, there were an estimated 200,000 end stage renal disease patients and 700,000 chronic patients, according to the DHHS. In addition, an estimated 250,000 persons in the United States suffer acute renal failure each year. Most patients undergoing hemodialysis treatment generally receive three treatments per week or 156 treatments per year, although the amount of weekly treatments may vary.

A hemodialysis provider such as a hospital or a free standing clinic uses hemodialysis stations to treat patients. A hemodialysis station contains a dialysis machine that takes a concentrate solution and certain chemical powders, such as the Company's solutions and powders, and accurately dilutes them with purified water. The resulting solution, known as dialysate, is then pumped through a device known as an artificial kidney (dialyzer), while at the same time the patient's blood is pumped through a membrane within the dialyzer. Excess water and chemicals from the patient's blood pass through the membrane and are carried away in the dialysate while certain chemicals in the dialysate penetrate the membrane and enter the patient's blood to maintain proper chemical levels in the body. Dialysate generally contains dextrose, sodium, calcium, potassium, magnesium, chloride and acetic acid. The patient's physician prescribes the formula required for each patient based on each particular patient's needs, although most patients receive one of eight common formulations.

In addition to using concentrate solutions and chemical powders (which must be replaced for each use by each patient), a dialysis station also requires various other ancillary products such as dialysis on-off kits, sterile subclavian dressing change trays, arterial and venous blood tubing lines, fistula needles, intravenous administration sets, transducer protectors, dialyzers and over 120 other ancillary products, all of which the Company sells.

INDUSTRY TRENDS

Hemodialysis patients generally receive their treatment at hospitals or independent hemodialysis providers. According to the U.S. Department of Health and Human Services (the "DHHS"), since 1973 the total number of hemodialysis providers in the United States has more than quintupled from 606 in 1973 to over 3,082 in December 1996. Independent providers comprised 2,212 of such providers and hospitals comprised 746 of such providers. The Company currently supplies over 220 hemodialysis providers in 18 states across the United States, as well as hemodialysis providers in Venezuela. The number of patients receiving hemodialysis has also grown substantially in recent years. According to the DHHS, in 1985, there were approximately 68,390 patients receiving hemodialysis treatments in the United States. It is estimated by the DHHS that in 1996 over 216,000 patients received hemodialysis treatments. According to the DHHS, from 1985 to 1996, the number of hemodialysis stations, which are areas equipped to provide adequate and safe dialysis therapy, grew from 17,845 stations to 45,244 stations.

STRATEGY

The Company's objective is to increase its market share in the expanding hemodialysis market and improve profitability by implementing the following strategies:

- Acting as a Single Source Supplier. By offering over 120 different products used by hemodialysis providers, the Company has positioned itself as a "one-stop-shop" to its customers for the concentrates, chemicals and supplies necessary to support a hemodialysis operation. Some of the Company's competitors for concentrates do not offer a full line of hemodialysis products, requiring customers to do business with a number of suppliers in order to purchase necessary supplies. The Company has entered into agreements with ancillary product manufacturers, which allow the Company to be a "full-line" supplier of hemodialysis products.

- Increasing Revenue through Sales of New Products and Increased "Back-haul" Revenue. The Company intends to manufacture and/or distribute additional hemodialysis products not currently offered by the Company, which products may offer opportunities to earn higher profit margins than some of the Company's existing products. For example, the Company recently obtained a 510(k) approval from the FDA to market liquid bicarbonate, a product used primarily by acute care hemodialysis providers and certain chronic care providers. The Company intends to install a production line to manufacture liquid bicarbonate, although no assurance can be given that the Company will be successful in establishing a production line for such product or that the Company can successfully market such product. In addition, the Company intends to pursue contracts for its trucks to act as common carriers for third parties during their return to the Company's manufacturing facility after a delivery of the Company's products.

- Offering a Higher Level of Customer Service. By using its own delivery vehicles and drivers, the Company believes that it can offer a higher level of customer service to hemodialysis providers than if it relied primarily on the use of common carriers to distribute its products. However, if the Company is not successful in improving the operating efficiencies of its trucking operations or implementing its strategy of obtaining "back-haul" revenue to cover the additional costs associated with maintaining a fleet of trucks as opposed to using common carriers, the Company may be forced to abandon this strategy. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Plan of Operation" and "-- Trucking Operations."

In addition, the Company employs experienced personnel to operate its manufacturing plant and has purchased "state-of-the-art" laboratory and manufacturing equipment.

PRODUCTS

The Company manufactures hemodialysis concentrates and dialysis kits, and sells, distributes and delivers such products, as well as a full line of ancillary hemodialysis products to hemodialysis providers located in 18 states in the United States and in Venezuela. Through the Company's wholly-owned subsidiary, Rockwell Transportation, Inc., the Company leases and operates a fleet of ten tractor-trailers which it uses to deliver its products to customers.

On June 16, 1997, the Company obtained 510(k) clearance from the FDA to market liquid bicarbonate, a product used primarily by acute care hemodialysis providers and certain chronic care providers. Upon completion of the Offering, the Company intends to acquire and install equipment necessary to manufacture and package liquid bicarbonate and to market such product. No assurance can be given that the Company will be successful in establishing a production line for liquid bicarbonate or that the Company can successfully market such product on a profitable basis. See "Use of Proceeds."

TRUCKING OPERATIONS

The Company's wholly-owned subsidiary, Rockwell Transportation, Inc., directly delivers substantially all of the products the Company sells through a fleet of ten tractor-trailers that the Company leases from a truck leasing company pursuant to a two-year lease. The Company currently employs ten drivers to operate its truck

fleet, one dispatcher and one person to manage its trucking operations. The Company's hemodialysis concentrates are generally packaged in 55 gallon re-usable drums weighing approximately 580 pounds each. The Company's drivers perform services for customers that are generally not available from common carriers, such as stock rotation, non-loading-dock delivery and drum pump-offs, which require the driver to pump hemodialysis concentrates from the 55 gallon drums into larger holding tanks within the hemodialysis clinic. The Company's main competitors generally use common carriers for delivery of their products. The Company believes it offers a high level of service to its customers through the use of its own delivery vehicles and drivers.

As a result of using its own fleet of delivery trucks to deliver its products, the Company's transportation costs have been approximately twice the cost of hiring common carriers to deliver products. The Company believes that it can offset such higher costs by contracting with third parties for its trucks to act as common carriers during their return to the Company's manufacturing facility after a delivery of concentrates and other products. In March 1997, the Company hired an experienced manager to manage its trucking operations and to develop and implement a plan to improve the operating efficiencies of the trucking operations and to begin soliciting "back-haul" revenue. If the Company were unsuccessful in obtaining sufficient revenue to cover the additional costs associated with using its own trucks for deliveries, the Company may consider abandoning its strategy of using its own trucks, and hire common carriers or make other arrangements to deliver its products. The Company is unable to predict what effect, if any, such change in strategy would have on the Company's customers, or on its ability to market its products. Additionally, as the Company's business expands, the Company may expand its fleet of delivery trucks to accommodate such increased business. If the Company expands its fleet of trucks, the amount of "back-haul" revenue that will be necessary to cover the excess costs of maintaining such fleet will also increase.

Under the terms of the Company's leasing arrangement with its truck leasing company, the leasing company is responsible for the maintenance necessary to keep the trucks in good operating condition. The Company's trucking operations are and will continue to be subject to various state and federal regulations, which if changed or modified, could adversely affect the Company's business, financial condition and results of operations.

SALES AND MARKETING

The Company sells its products to hemodialysis providers through two independent sales representative companies, one direct salesperson employed by the Company and two independent distributors. The independent sales representative companies are paid on a commission only basis and are responsible for paying their own expenses. The Company's direct salesperson is an employee of the Company and is paid a salary plus a commission. In addition, the Company sells its products to hemodialysis distributors who employ their own sales force to sell products purchased from the Company.

For the period from February 20, 1997 to May 31, 1997, sales of the Company's products for use at clinics in Venezuela accounted for approximately 15% of the Company's total sales during such period. Such sales consisted of acetate concentrate. The Company sells such products primarily to several Miami-based distributors, who then sell the products to the government of Venezuela through a competitive bidding process.

COMPETITION

Other than the Company, there are currently three other major suppliers of concentrates and/or ancillary products used by hemodialysis clinics. The other major suppliers of hemodialysis products are Gambro Healthcare ("Gambro"), which supplies concentrates and blood tubing and also owns clinics which treat approximately 22,000 hemodialysis patients (assuming completion of the recently announced acquisition of Vivra Renal Care, Inc. by Gambro), Fresenius Medical Care, Inc. ("Fresenius"), which supplies concentrates, blood tubing, ancillary products and also owns clinics which treat approximately 44,000 hemodialysis patients, and Renal Systems (a division of Minntech Corporation), which supplies concentrates and renalin, a specialty product used to sterilize dialyzer machines, but does not carry a wide line of hemodialysis products.

Two of the Company's major competitors, Gambro and Fresenius, own and operate a substantial number of hemodialysis clinics which compete for patients in the same markets as the providers and hospitals to which they sell hemodialysis products. Although the Company believes that its business strategies provide it with competitive advantages over each of its three major competitors, each of such competitors is a more established company with substantially greater financial, technical, manufacturing, marketing, research and development and management resources than those of the Company and well established reputations, customer relationships and marketing and distribution networks. The Company believes that many of the Company's products are commodities, including its concentrates, and therefore, believes that price, customer service and convenience are the principal competitive factors in the hemodialysis products industry. There can be no assurance that the Company will be able to compete successfully in the future. See "Risk Factors -- Competition."

QUALITY ASSURANCE/CONTROL

To assure quality and consistency of the Company's concentrates, the Company conducts rigorous testing during the manufacturing process. Once a batch of product is mixed, the Company's in-house quality control laboratory conducts tests to verify that the chemical properties of the mix match the specifications required by the particular customer. Upon verification that the batch meets the specifications, the Company packages concentrates into either one-gallon containers or 55-gallon drums. The Company further tests packaged concentrate samples at the beginning and end of each production run to assure product consistency during the filling process. Once the packaged product passes the final tests, the product is released for shipment.

The Company has purchased new testing equipment it believes to be "state-of-the-art" in order to assure quality and consistency in the manufacture of its concentrates. The equipment allows the Company to analyze the materials used in the hemodialysis concentrate manufacturing process, to assay and adjust the in-process hemodialysis concentrate, and to assay and certify that the finished products are within the chemical and biological specifications required by the clinics. In addition, the Company's testing equipment allows it to reduce the costs of performing necessary tests while improving the accuracy of such tests. The Company also has been able to reduce the amount of labor and maintenance necessary to perform such tests and maintain the equipment.

The Company's quality assurance department is managed by Ruth E. Homsher, Ph.D., manager of the Quality Control Laboratory. Dr. Homsher is directly responsible for all testing procedures, validation techniques and related customer quality issues. For a description of Dr. Homsher's background, see "Management."

GOVERNMENT REGULATION

The testing, manufacture and sale of the Company's hemodialysis concentrates and the ancillary products distributed by the Company are subject to regulation by numerous governmental authorities, principally the FDA and corresponding state and foreign agencies. Pursuant to the Federal Food, Drug, and Cosmetic Act, and the regulations promulgated thereunder, the FDA regulates the preclinical and clinical testing, manufacture, labeling, distribution and promotion of medical devices. Noncompliance with applicable requirements can result in, among other things, fines, injunctions, civil penalties, recall or seizure of products, total or partial suspension of production, failure of the government to grant premarket clearance or premarket approval for devices, withdrawal of marketing clearances or approvals and criminal prosecution.

A medical device may be marketed in the United States only with prior authorization from the FDA unless it is subject to a specific exemption. Devices classified by the FDA as posing less risk than class III devices are categorized as class I (general controls) or class II (general and specific controls) and are eligible to seek "510(k) clearance." Such clearance generally is granted when submitted information establishes that a proposed device is "substantially equivalent" in intended use to a class I or II device already legally on the market or to a "preamendment" class III device (i.e., one that has been in commercial distribution since before May 28, 1976) for which the FDA has not called for PMA applications (as defined below). The FDA in recent years has been requiring a more rigorous demonstration of substantial equivalence than in the past,

including requiring clinical trial data in some cases. For any devices that are cleared through the 510(k) process, modifications or enhancements that could significantly affect safety or effectiveness, or constitute a major change in the intended use of the device, will require new 510(k) submissions. The Company believes that it now usually takes from one to four months from the date of submission to obtain 510(k) clearance, but it can take substantially longer. The Company's hemodialysis concentrates, liquid bicarbonate and other ancillary products are categorized as class II devices.

A device requiring prior marketing authorization that does not qualify for 510(k) clearance is categorized as class III, which is reserved for devices classified by FDA as posing the greatest risk (e.g., life-sustaining, life-supporting or implantable devices), or devices that are not substantially equivalent to a legally marketed class I or class II device. A class III device generally must receive approval of a premarket approval ("PMA") application, which requires proving the safety and effectiveness of the device to the FDA. The process of obtaining PMA approval is expensive and uncertain. The Company believes that is usually takes from one to three years after filing, but it can take longer.

If human clinical trials of a device are required, whether for a 510(k) submission or a PMA application, and the device presents a "significant risk," the sponsor of the trial (usually the manufacturer or the distributor of the device) will have to file an investigational device exemption ("IDE") application prior to commencing human clinical trials. The IDE application must be supported by data, typically including the results of animal and laboratory testing. If the IDE application is approved by the FDA and one or more appropriate Institutional Review Boards ("IRBs"), human clinical trials may begin at a specific number of investigational sites with a specific number of patients, as approved by the FDA. If the device presents a "nonsignificant risk" to the patient, a sponsor may begin the clinical trial after obtaining approval for the study by one or more appropriate IRBs without the need for FDA approval.

Any devices manufactured or distributed by the Company pursuant to FDA clearances or approvals are subject to pervasive and continuing regulation by the FDA and certain state agencies. Manufacturers of medical devices for marketing in the United States are required to adhere to applicable regulations setting forth detailed Good Manufacturing Practices requirements, which including testing, control and documentation requirements. The FDA has recently finalized changes to the GMP regulations that will likely increase the cost of compliance with GMP requirements. Manufacturers and distributors must also comply with Medical Device Reporting ("MDR") requirements that a firm report to the FDA any incident in which its product may have caused or contributed to a death or serious injury, or in which its product malfunctioned and, if the malfunction were to recur, it would be likely to cause or contribute to a death or serious injury. Labeling and promotional activities are subject to scrutiny by the FDA and, in certain circumstances, by the Federal Trade Commission. Current FDA enforcement policy prohibits the marketing of approved medical devices for unapproved uses.

The Company is subject to routine inspection by the FDA and certain state agencies for compliance with GMP requirements and other applicable regulations. The Company also is subject to numerous federal, state and local laws relating to such matters as safe working conditions, manufacturing practices, environmental protection, fire hazard control and disposal of hazardous or potentially hazardous substances.

The Supply Company received 510(k) clearance from the FDA to market hemodialysis concentrate solutions and powders on March 1, 1996. Such 510(k) clearance was assigned to the Company on February 19, 1997, in connection with the purchase of the Predecessor Company. In addition, the Company received 510(k) clearance from the FDA to market liquid bicarbonate on June 16, 1997. The Company's retention of such 510(k) clearances also is dependent upon its compliance with the FDA Act and related laws and regulations, including GMP regulations. There can be no assurance that the Company will maintain its 510(k) authority from the FDA to manufacture and distribute its products. Failure to do so could result in the need to cease manufacturing and/or distributing Company products, which would have a material adverse effect on the Company's business, financial condition and results of operations. If any of the Company's FDA clearances are denied or rescinded, sales of the Company's product in the United States would be prohibited during the period the Company does not have such clearances.

PROPERTIES

The Company leases an approximately 32,500 square foot facility located in Wixom, Michigan, which is comprised of manufacturing, warehouse, office and laboratory space. The Company is party to a lease (the "Lease") covering such facility that expires on December 15, 2000 and provides for a monthly rental payment of $19,770.83, plus a monthly escrow deposit of $2,217.90 to fund real estate taxes. This facility was formerly leased by the Predecessor Company, and the Lease was assigned to the Company in connection with the acquisition of the Predecessor Company's business. In connection with such assignment of the Lease, the landlord required the Company to deposit into escrow $178,000, which is to be applied against future lease payments and as additional security deposit in accordance with the assignment agreement. The Company believes that its facilities are suitable and adequate for its current operations, but may not be adequate if the Company expands its operations.

SUPPLIERS

The Company believes that the raw materials for the Company's hemodialysis concentrates, the components for the Company's hemodialysis kits and the ancillary hemodialysis products distributed by the Company are generally available from several potential suppliers.

EMPLOYEES

As of the date of this Prospectus, the Company has 46 employees, of which one is a direct salesperson, four are laboratory technicians, ten are truck drivers and eight are engaged in corporate management and administration. The remaining 23 employees are hourly workers including secretaries and plant employees. The Company's arrangements with its employees are not governed by any collective bargaining agreement. All employees, except Mr. Chioini, are employed on an "at-will" basis. If the Company's sales volumes increase, the Company expects to add additional production and administrative personnel and truck drivers.

LEGAL PROCEEDINGS

The Company is not a party to any pending legal proceedings.

MANAGEMENT

DIRECTORS, EXECUTIVE OFFICERS AND KEY EMPLOYEES.

The directors, executive officers and key employees of the Company and the positions held by them are as follows:

NAME	AGE	POSITION
Robert L. Chioini	32	President, Chief Executive Officer and Director
Gary D. Lewis	46	Chairman of the Board
Michael J. Xirinachs	37	Director
Norman L. McKee	41	Director
James J. Connor	45	Vice President of Finance, Chief Financial Officer, Treasurer and Secretary
Donald A. Danald	53	Vice President of Regulatory Affairs
Ruth E. Homsher, Ph.D	51	Manager, Quality Control Laboratory

ROBERT L. CHIOINI is a founder of the Company, has served as the President and Chief Executive Officer of the Company since February 1997, and has been a director of the Company since its formation in October 1996. From January 1996 to February 1997, Mr. Chioini served as Director of Operations of Rockwell Medical Supplies, LLC, a company which manufactured hemodialysis concentrates and distributed such concentrates and other hemodialysis products. From January 1995 to January 1996, Mr. Chioini served as President of Rockwell Medical Inc, a company which manufactured hemodialysis concentrates and distributed such concentrates and other hemodialysis products. From 1993 to 1995, Mr. Chioini served as a Regional Sales Manager at Dial Medical of Florida, Inc., currently Gambro Healthcare, a company which manufactures and distributes hemodialysis concentrates and owns hemodialysis clinics. From 1990 to 1993, Mr. Chioini served as a Regional Sales Manager for R. Louis Enterprises, Inc., a medical products distributor. Mr. Chioini is a party to an employment agreement with the Company which expires February 19, 2000.

GARY D. LEWIS is a founder of the Company and has been Chairman of the Board of Directors of the Company since its formation in October 1996. Mr. Lewis also served as Secretary and Treasurer of the Company from October 1996 to July 1997. Mr. Lewis has also served as President of OmniSource, Inc., a medical device distributor, since December 1994. Mr. Lewis also founded and served as President and Chief Executive Officer of Somanetics Corporation, a medical device manufacturer, from its inception in 1982 to February 1995. Mr. Lewis is also a majority stockholder of, and serves as President and a director of, Wall Street Partners, Inc. ("Wall Street"), a management consulting firm that provides business consulting services to the Company. See "Certain Transactions - -- Consulting Agreement."

MICHAEL J. XIRINACHS is a founder of the Company and has been a director of the Company since its formation. Mr. Xirinachs also serves as a Senior Vice President of Investments of D.H. Blair & Co., Inc., an investment banking firm which Mr. Xirinachs joined in 1988. Mr. Xirinachs is also a stockholder of, and serves as Vice President and a director of, Wall Street. See "Certain Transactions -- Consulting Agreement."

NORMAN L. MCKEE joined the Board of Directors of the Company in July 1997. In July 1997, Mr. McKee founded, and currently serves as the President of, Strategic Growth Management, Inc., a management consulting firm. Mr. McKee served as Senior Vice President, Treasurer and Chief Financial Officer of Saga Communications, Inc. ("Saga"), a company which owns and operates radio stations and a television station, from 1994 to July 1997. From 1988 to 1994, Mr. McKee served as Vice President, Treasurer and Chief Financial Officer of Saga. Mr. McKee also served on the Board of Directors of Saga from 1992 to July 1997.

JAMES J. CONNOR has served as the Vice President of Finance, Chief Financial Officer, Treasurer and Secretary of the Company since July 1997. From May 1995 to July 1997, Mr. Connor founded and was a principal of Connor & Connor, a financial services consulting firm. From January 1992 to May 1995,

Mr. Connor served as the President of Glacier Vandervell, Inc., an automotive and diesel engine bearing manufacturer that supplies products to OEM customers in the automotive industry.

DONALD A. DANALD joined the Predecessor Company in April 1996 as Vice President of Regulatory Affairs and joined the Company in the same capacity after the acquisition of the Predecessor Company's business. From 1990 to April 1996, Mr. Danald was a manager of the Laboratory and Quality Control departments at Dial Medical of Florida, Inc., currently Gambro Healthcare, a competitor of the Company. See "Business -- Competition."

RUTH E. HOMSHER, PH.D., joined the Predecessor Company in January 1996 as Manager of the Quality Control Laboratory and joined the Company in the same capacity after the acquisition of the Predecessor Company's business. From December 1995 to January 1996, Dr. Homsher worked as an independent clinical laboratory consultant. From January 1994 to December 1995, Dr. Homsher was the Director of Quality Assurance and Technical support for Brendan Scientific, a manufacturer of quality control software for clinical, research and industrial laboratories. From February 1993 to December 1994, Dr. Homsher was a Senior Research Scientist at McCann Associates, a manufacturer of diagnostic and clinical reagents. From January 1990 to January 1993, Dr. Homsher was a clinical chemist and quality assurance specialist for Roche Biomedical Laboratories, Inc., a reference laboratory for clinical laboratories.

The Company's Articles of Incorporation, as amended (the "Articles of Incorporation"), provide for a staggered Board of Directors, whereby the directors are divided into three classes (as nearly equal in number as feasible). The initial terms of each of the classes of directors expires at the annual meetings of the shareholders to be held in 1998, 1999 and 2000 for the Class I, Class II and Class III directors, respectively. Thereafter, the term of each class shall be for three years or until their successors are elected and qualified or until their earlier death, resignation or removal. Pursuant to the Company's Articles of Incorporation, directors may be removed only for cause. The following directors have been elected to fill the following classes: Class I (initial term until the 1998 annual meeting) -- Mr. Lewis and Mr. McKee; Class II (initial term until the 1999 annual meeting) -- Mr. Xirinachs; and Class III (initial term until the 2000 annual meeting) -- Mr. Chioini.

Officers serve at the discretion of the Board of Directors. Pursuant to the Underwriting Agreement, the Company has agreed, for a period of no less than three years from the Effective Date, to engage a designee, acceptable to the Underwriter and the Company, to serve as an Advisor to the Company's Board of Directors. Such Advisor shall be entitled to attend all meetings of the Board of Directors, to receive all notices and other correspondence and communications sent by the Company to its directors, and to receive compensation equal to the compensation paid to nonemployee directors of the Company. The Company has also agreed that, in lieu of the Underwriter's right to designate an Advisor, the Underwriter has the right to designate one person for election as a director, and the Company has agreed to use its best efforts to cause such designee to be elected to the Board of Directors.

COMPENSATION

SUMMARY COMPENSATION TABLE

The following table sets forth the compensation awarded to, earned by or paid to the Company's Chief Executive Officer for the year ended December 31, 1996 by the Predecessor Company. During the year ended December 31, 1996, no other officers earned in excess of $100,000 in total annual salary and bonus.

SUMMARY COMPENSATION TABLE

NAME AND PRINCIPAL POSITION	YEAR	ANNUAL COMPENSATION SALARY ($)	ANNUAL COMPENSATION OTHER ANNUAL COMPENSATION ($)
Robert L. Chioini, President and Chief Executive Officer...	1996(1)	$59,000	$5,800(2)

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(1) Reflects amounts paid by the Predecessor Company to Mr. Chioini for such fiscal year. The Company did not commence operations until February 1997. On February 19, 1997, the Company entered into a three-year employment agreement with Mr. Chioini pursuant to which Mr. Chioini is being paid an annual salary of $115,000 plus certain other perquisites. Upon completion of the Offering, Mr. Chioini's salary will be increased to an annual rate of $150,000. See " -- Employment Agreements."

(2) Represents reimbursement of expenses incurred by Mr. Chioini relating to the personal use of a Company automobile.

In July 1997, Mr. Chioini was granted on option to purchase 90,000 Common Shares at a per share exercise price of $3.00, under the Company's 1997 Stock Option Plan. Such option vests in 25% cumulative annual installments beginning on the date of grant.

COMPENSATION OF DIRECTORS

The Company's directors who are not officers or employees of the Company (collectively, the "Outside Directors") receive $1,000 for each Board meeting attended in person and $250 for each telephonic Board meeting attended. The Company also reimburses Outside Directors for their reasonable expenses of attending Board and Board committee meetings.

In July 1997, the Board of Directors and shareholders of the Company adopted the Rockwell Medical Technologies, Inc. 1997 Stock Option Plan (the "Stock Option Plan"). The Stock Option Plan permits the Board of Directors, among other things, to grant options to purchase Common Shares to directors of the Company, including Outside Directors. In July 1997, the Board of Directors granted to each of the three existing Outside Directors options to purchase 20,000 Common Shares at a per share exercise price of $3.00. Upon the election of any new member to the Board of Directors who is an Outside Director, the Board of Directors intends to grant to such member an option to purchase 20,000 Common Shares at a per share exercise price equal to the fair market value of a Common Share at the date of grant. Beginning with the first annual meeting of the shareholders of the Company after July 1997, provided that a sufficient number of Common Shares remain available under the Stock Option Plan, on each date on which an annual meeting of the shareholders of the Company is held, the Board of Directors intends to grant to each Outside Director who is then serving on the Board of Directors, an option to purchase 5,000 Common Shares. The exercise price of the options will be the fair market value of the Common Shares on the date of grant. The options granted to Outside Directors under the Stock Option Plan will become fully exercisable on the first anniversary of the date of grant. Such options will expire ten years after the date of grant. If an Outside Director becomes an officer or employee of the Company and continues to serve as a member of the Board of Directors, options granted under the Stock Option Plan will remain exercisable in full.

For a description of the Company's consulting agreement with Wall Street, a consulting company owned by Mr. Lewis and Mr. Xirinachs, each of whom is a director of the Company, see "Certain Transactions--Consulting Agreement."

EMPLOYMENT AGREEMENT

The Company entered into an employment agreement with Robert L. Chioini in February 1997, pursuant to which Mr. Chioini is employed as the President and Chief Executive Officer of the Company for a period ending February 19, 2000. Mr. Chioini's base salary is $115,000, which may be increased by the Board of Directors. The Board has increased his salary to $150,000 effective on the closing date of this Offering.

Mr. Chioini's employment agreement contains a three year non-compete provision and provides for him to devote his full-time and attention to the Company's business.

INDEMNIFICATION OF DIRECTORS AND OFFICERS AND LIMITATION ON DIRECTORS' LIABILITY

The Michigan Business Corporation Act, as amended, authorizes a corporation under specified circumstances to indemnify its directors and officers (including reimbursement for expenses incurred). The provisions of the Company's Bylaws relating to indemnification of directors and executive officers generally provide that directors and executive officers will be indemnified to the fullest extent permissible under Michigan law. The provision also provides for the advancement of litigation expenses at the request of a director or executive officer. These obligations are broad enough to permit indemnification with respect to liabilities arising under the Securities Act or the Michigan Uniform Securities Act, as amended. The Company believes that such indemnification will assist the Company in continuing to attract and retain talented directors and officers in light of the risk of litigation directed against directors and officers of publicly-held corporations.

The Michigan Business Corporation Act, as amended, also permits Michigan corporations to limit the personal liability of directors for a breach of their fiduciary duty. The provisions of the Company's Articles of Incorporation limit director liability to the maximum extent currently permitted by Michigan law. Michigan law allows a corporation to provide in its articles of incorporation that a director of the corporation will not be personally liable to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director, except for liability for specified acts. As a result of the inclusion of such a provision, shareholders of the Company may be unable to recover monetary damages against directors for actions taken by them which constitute negligence or gross negligence or which are in violation of their fiduciary duties, although it may be possible to obtain injunctive or other equitable relief with respect to such actions. If equitable remedies are found not to be available to shareholders in any particular case, shareholders may not have any effective remedy against the challenged conduct. These provisions, however, do not affect liability under the Securities Act.

In addition, the Company has obtained Directors' and Officers' liability insurance. The policy provides for $1,000,000 in coverage including prior acts dating to the Company's inception and liabilities under the Securities Act in connection with this Offering.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Company pursuant to the foregoing provisions or otherwise, the Company has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

CERTAIN TRANSACTIONS

FORMATION OF THE COMPANY

In October 1996, Messrs. Chioini, Lewis and Xirinachs founded the Company. In connection with the formation of the Company Messrs. Chioini, Lewis and Xirinachs received 500,000, 750,000 and 750,000 shares, respectively, of the Company's Common Shares for an aggregate purchase price of $1,000.

ACQUISITION OF BUSINESS OF PREDECESSOR COMPANY

On February 19, 1997, the Company acquired the business of the Predecessor Company for total consideration of $2,441,664.47 pursuant to an Asset Purchase Agreement dated as of November 1, 1996, as amended (the "Asset Purchase Agreement"). Mr. Robert L. Chioini, the President, Chief Executive Officer and a director of the Company, owns a 20% equity interest in the Supply Company. The purchase price consisted of: (i) $150,000 paid to the Sellers in cash; (ii) a cash payment to NBD Bank of approximately $375,000 to retire an outstanding debt owed by the Predecessor Company to NBD Bank; and (iii) an 8.5% promissory note in the principal amount of $1,916,664.47 made by the Company in favor of the Supply

Company (the "Note"). Under the terms of the Note and the Asset Purchase Agreement, a prepayment of $500,000 on the Note was due on May 19, 1997, which date was extended by the Supply Company to May 31, 1997. Pursuant to a letter agreement dated April 4, 1997, the Supply Company agreed that, upon receipt of the $500,000 prepayment on the Note, the remaining principal balance under the Note would be converted into shares of Series A Preferred Stock at a conversion ratio of one share of Series A Preferred Stock for each $1.00 of outstanding principal due under the Note. The Company made the required $500,000 prepayment under the Note and the Note was converted into 1,416,664 shares of Series A Preferred Stock.

Under the terms of the Series A Preferred Stock, the Company is obligated to redeem such Series A Preferred Stock on or before January 31, 1998 (the "Mandatory Redemption Date"), at a redemption price of $1.00 per share, plus any accrued and unpaid dividends from June 1, 1997. The Company's obligation to redeem the Series A Preferred Stock has been guaranteed (the "Guaranty") by each of Messrs. Chioini, Lewis and Xirinachs, and such Guaranty is secured by the pledge of 1,478,260 Common Shares (the "Pledged Shares") owned by such Principal Shareholders pursuant to an Escrow Agreement dated as of July 22, 1997 (the "Escrow Agreement"). If the Company fails to redeem the outstanding shares of Series A Preferred Stock on or before the Mandatory Redemption Date, the Supply Company has a period of 45 days following such date to elect either to: (i) exercise its rights under the Guaranty and the Escrow Agreement to retain the Pledged Shares which remain held in escrow, in full satisfaction and discharge of the Guaranty and the Company's obligation to redeem the Series A Preferred Stock; or (ii) terminate its rights under the Guaranty, relinquish and terminate its interest in the Pledged Shares and proceed against the Company to collect the outstanding redemption payment. In addition to the mandatory redemption discussed above, the Company has the right to redeem shares of Series A Preferred Stock at any time prior to the Mandatory Redemption Date. The Company intends to use a portion of the net proceeds of this Offering to fund the payment of the redemption price necessary to redeem the Series A Preferred Stock. See "Use of Proceeds."

In addition, in connection with the purchase of the business from the Predecessor Company, the Company paid $178,000 to the landlord under the Lease, as a prepayment of future rents and as an additional security deposit in order to induce such landlord to consent to the assignment of the Lease and to release the Predecessor Company and its shareholders, including Mr. Chioini, from their obligations under the Lease. See "Business -- Properties."

CONSULTING AGREEMENT

The Company is party to a consulting agreement with Wall Street dated as of February 19, 1997 pursuant to which Wall Street provides management and financial consulting services to the Company. The Company has agreed to pay Wall Street a consulting fee of $25,000 per month from the date of the agreement through December 1997, subject to renewal upon the mutual agreement of the Company and Wall Street. Prior to February 19, 1997, Wall Street rendered consulting services to the Company beginning in November 1996, for a consulting fee of $25,000 per month. Wall Street is owned by Gary D. Lewis and by Michael J. Xirinachs, each of whom are founders of the Company and serve as Directors of the Company. The Company has paid or accrued an aggregate of $175,000 in consulting fees to Wall Street under these arrangements through May 31, 1997.

SHAREHOLDER LOANS

On April 29, 1997, Messrs. Chioini, Lewis and Xirinachs loaned $50,000, $25,000 and $50,000, respectively, to the Company. The loans were evidenced by 8.5% promissory notes in the amounts of $50,000, $25,000 and $50,000, respectively. The Company repaid such loans, including accrued interest, in June, 1997.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of July 21, 1997, certain information concerning the Common Shares beneficially owned by each director and the chief executive officer of the Company, by all executive officers and directors of the Company as a group, and by each shareholder that is a beneficial owner of more than 5% of the outstanding Common Shares:

Name	Amount and Nature of Beneficial Ownership(1)	Percentage Beneficially Owned	
		Before the Offering(2)	After the Offering(3)
Gary D. Lewis(4)(5)(6).....	750,000	24.9%	16.3%
Michael J. Xirinachs(4)(6).....	750,000	24.9%	16.3%
Robert L. Chioini(4)(6)(7).....	522,500	17.2%	11.3%
Norman L. McKee.....	0	--	--
All directors and executive officers as a group (6 persons)(8).....	2,043,750	66.8%	43.9%

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(1) Unless otherwise indicated, each person has sole investment and voting power with respect to the shares indicated, subject to community property laws, where applicable. For purposes of computing the percentage of outstanding shares held by each person or group of persons named above as of the date of the table, any security which such person or group of persons has the right to acquire within 60 days after such date is deemed to be outstanding for the purpose of computing the percentage ownership for such person or persons, but it not deemed to be outstanding for the purpose of computing the percentage ownership of any other person.

(2) Based on 3,015,000 Common Shares outstanding as of July 21, 1997.

(3) Based on 4,609,286 Common Shares outstanding, assuming all 1,500,000 Units offered hereby are sold to third parties and assuming the issuance of 94,286 Additional Shares to investors in the First Prior Financing. See "Description of Securities -- Prior Financings."

(4) Address is c/o the Company, 28025 Oakland Oaks Drive, Wixom, Michigan 48393.

(5) Includes 675,000 Common Shares owned jointly with Mr. Lewis's wife and 75,000 Common Shares held in custodial accounts for the benefit of Mr. Lewis's three minor children.

(6) 554,347, 554,347, and 369,566 of Common Shares owned by Mr. Lewis, Mr. Xirinachs and Mr. Chioini, respectively, have been pledged to secure their obligations under the Guaranty to the Supply Company of the Company's obligation to redeem the Series A Preferred Stock on the Mandatory Redemption Date. The Principal Shareholders retain voting and dispositive power with respect to the Pledged Shares until the occurrence of a default in the Company's obligation to redeem the Series A Preferred Stock. Any such default could result in a change in control of the Company. See "Certain Transactions -- Acquisition of Business of Predecessor Company." The Company intends to use a portion of the proceeds of this Offering to redeem the Series A Preferred Stock. See "Use of Proceeds."

(7) Includes 22,500 Common Shares that Mr. Chioini has the right to acquire within 60 days.

(8) Includes 43,750 Common Shares which all executive officers and directors as a group have the right to acquire within 60 days.

DESCRIPTION OF SECURITIES

UNITS

Each Unit consists of one Common Share and two Warrants, each Warrant entitling the holder to purchase one Common Share. The Common Shares and Warrants are immediately transferable separately.

GENERAL

The authorized capital shares of the Company consist of an aggregate of 20,000,000 Common Shares, no par value per share ("Common Shares"), 1,416,664 shares of 8.5% non-voting cumulative Series A Preferred Stock, $1.00 par value per share (the "Series A Preferred Stock"), and 2,000,000 shares of Preferred Stock, no par value per share (the "Preferred Stock"). 3,015,000 Common Shares, 1,416,664 shares of Series A Preferred Stock and no shares of Preferred Stock are currently issued and outstanding. 94,286 Additional Shares will be issued to investors in the First Prior Financing on the closing date of this Offering.

COMMON SHARES

Holders of Common Shares are entitled to one vote per Common Share on each matter submitted to a vote of shareholders of the Company and to participate ratably in dividends and other distributions when and if declared by the Board of Directors from funds legally available therefor. See "Risk Factors -- Absence of Dividends on Common Shares." Upon the liquidation, dissolution or winding up of the Company, holders of Common Shares are entitled to share pro rata in any assets available for distribution to shareholders after payment of all obligations of the Company and after provision has been made with respect to each class of stock, if any, having preference over the Common Shares. Holders of Common Shares do not have cumulative voting rights or preemptive, subscription or conversion rights and are not redeemable. The Common Shares presently outstanding are, and the Common Shares to be issued in connection with this Offering will be, duly authorized, validly issued, fully paid and non-assessable.

The Board of Directors is authorized to issue additional Common Shares within the limits authorized by the Company's Articles of Incorporation without further shareholder action. The Company has agreed with the Underwriter that it will not issue any securities, including but not limited to Common Shares, for a period of 24 months following the Effective Date, except as disclosed in or contemplated by this Prospectus, without the prior written consent of the Underwriter.

The directors of the Company serve staggered three-year terms. The directors of the Company will hold office until the Annual Meeting of Shareholders to be held in 1998 for Gary D. Lewis and Norman L. McKee, the Annual Meeting of Shareholders to be held in 1999 for Michael J. Xirinachs, and the Annual Meeting of Shareholders to be held in 2000 for Robert L. Chioini, and until their successors are elected and qualified. Directors may not be removed without cause. The Articles of Incorporation also set the minimum and maximum number of directors constituting the entire Board at three and fifteen, respectively, and require approval of holders of a majority of the Company's voting shares to amend these provisions.

SERIES A PREFERRED STOCK

The Board of Directors has authorized and issued 1,416,664 shares of Series A Preferred Stock. The terms of the Series A Preferred Stock are as follows:

Dividend Rights. Holders of Series A Preferred Stock are entitled to receive, out of funds legally available for the payment of dividends, cumulative cash dividends in the amount of $0.085 per share per year (pro rated for partial years) accruing from June 1, 1997, as and when directed by the Board of Directors of the Company. As long as any shares of Series A Preferred Stock are outstanding, the Company may not (i) declare, pay, or set money, securities or other property apart for the payment of, any dividend on any other shares of the Company, including all classes of common stock and any other series of preferred stock (all of such shares of the Company referred to as the "Junior Shares"), or (ii) make any payment on account of, or set money, securities or other property apart for the payment into, a sinking or other similar fund for the purchase, redemption or other retirement of, any of the Junior Shares or any warrants, rights, calls or options

exercisable for or exchangeable into any of the Junior Shares (collectively, the "Junior Securities"), or (iii) make any distribution in respect of any Junior Securities, either directly or indirectly, and whether in cash, obligations or shares of the Company or other property (other than distributions or dividends in Junior Shares to the holders of Junior Shares), and shall not permit any corporation or other entity directly or indirectly controlled by the Company to purchase or redeem any of the Junior Securities, unless prior to or concurrently with such declaration, payment, setting apart for payment, purchase, redemption or distribution, as the case may be, all accrued and unpaid dividends on the Series A Preferred Stock shall have been paid.

Redemption. The Company is required to redeem all outstanding shares of Series A Preferred Stock on January 31, 1998 (the "Mandatory Redemption Date"), at a purchase price equal to $1.00 per share plus accumulated and unpaid dividends on the Mandatory Redemption Date. The purchase price must be paid in cash. From and after the Mandatory Redemption Date, the holders of Series A Preferred Stock will not have any rights as shareholders of the Company except the right to receive from the Company the redemption price of such Series A Preferred Stock, without interest, upon the surrender of such Series A Preferred Stock to the Company. In addition, the Company has the right and option at any time prior to the Mandatory Redemption Date to purchase, redeem or otherwise acquire any or all of the Series A Preferred Stock for a purchase price equal to $1.00 per share plus accumulated and unpaid dividends on such share through the date of repurchase or redemption. Upon consummation of this Offering, the Company intends to repurchase and redeem all of the Series A Preferred Stock for a purchase price of approximately $1,453,000 (assuming such redemption is effected on September 19, 1997). See "Use of Proceeds."

Liquidation Rights. Subject to the prior rights of the Company's creditors, the holders of the Series A Preferred Stock are entitled to receive, upon any voluntary or involuntary liquidation, dissolution or winding-up of the Company, $1.00 per share, plus accrued and unpaid dividends, before any payment to holders of Junior Shares. If, in any such case, the assets of the Company are insufficient to make such payment in full, then the available assets will be distributed among the holders of the Series A Preferred Stock ratably in proportion to the full amount to which each holder would be entitled.

Conversion Rights. Holders of Series A Preferred Stock have no conversion rights; however, the obligation of the Company to effect the mandatory redemption of the Series A Preferred Stock by the Mandatory Redemption Date is guaranteed by the Principal Shareholders pursuant to the Guaranty, which Guaranty is secured by a pledge of the Pledged Stock. See "Certain Transactions - -- Acquisition of Business of Predecessor Company."

Voting Rights. Holders of Series A Preferred Stock have no voting rights, except as may be required by law.

WARRANTS

The Warrants offered hereby will be issued in registered form under a Warrant Agreement (the "Warrant Agreement") between the Company and American Stock Transfer & Trust Company as warrant agent (the "Warrant Agent").

Each Warrant will be separately transferable and will entitle the registered holder thereof to purchase one Common Share at $4.50 per share (subject to adjustment as described below) for a period of three years commencing one year after the Effective Date and ending on the fourth anniversary of the Effective Date (the "Exercise Period"). The exercise price of the Warrants was determined by negotiation between the Company and the Underwriter and should not be construed to be predictive of, or to imply that, any price increases will occur in the Company's securities. The exercise price and the number and kind of Common Shares issuable upon the exercise of each Warrant are subject to adjustment in the event of a stock split, stock dividend, recapitalization, merger, consolidation or certain other events. No adjustment for previously paid cash dividends, if any, will be made upon exercise of the Warrants. A holder of Warrants may exercise such Warrants by surrendering the certificate evidencing such Warrants before the earlier of the expiration or redemption date to the Warrant Agent at its offices, together with the form of election to purchase on the reverse side of such certificate properly completed and executed and the payment of the exercise price and any

transfer tax. If less than all of the Warrants evidenced by a Warrant certificate are exercised, a new certificate will be issued for the remaining number of Warrants.

The Company has authorized and reserved for issuance a number of Common Shares sufficient to provide for the exercise of the Warrants. When issued, upon proper exercise of the Warrants and payment of the exercise price specified in the Warrants, each Common Share will be fully paid and nonassessable. Holders of Warrants will not have any voting or other rights as shareholders of the Company unless and until Warrants are exercised and shares issued pursuant thereto.

The Warrants may be redeemed by the Company at a price of $.10 per Warrant, upon not less than 30 days prior written notice to registered holders of the Warrants at any time during the Exercise Period, with the prior written consent of the Underwriter, if the average of the closing bid quotations of the Common Shares, during the period of 20 consecutive trading days ending on the third day prior to the date upon which notice of redemption is given, as reported on The Nasdaq SmallCap Market (or if the Common Shares are not quoted thereon, the closing sale price of the Common Shares on the Nasdaq National Market or other principal securities exchange upon which the Common Shares are then quoted or listed, or such other reporting system that provides closing sale prices for the Common Shares), is greater than $8.50 per share, subject to adjustment in the event of stock splits and similar events. The Warrants will be exercisable until the close of business on the day immediately preceding the date fixed for the redemption of the Warrants in the notice of redemption. The Company may redeem the Warrants at a time when it is disadvantageous for the holders of the Warrants. The holders of the Warrants may, therefore, be forced to exercise the Warrants and pay the exercise price or sell the Warrants at the current market price for the Warrants when they otherwise might wish to hold the Warrants, or accept the redemption price, which is likely to be substantially less than the market price of the Warrants at the time of redemption.

The Company will pay the Underwriter a fee of 5% of the exercise price of each Warrant exercised, provided (i) the market price of Common Shares on the date the Warrant was exercised was equal to or greater than the Warrant exercise price on that date, (ii) the exercise of the Warrant was solicited by a member of the National Association of Securities Dealers, Inc. ("NASD"), (iii) the Warrant was not held in a discretionary account, (iv) the disclosure of compensation arrangements was made in documents provided to the holders of the Warrants, (v) the solicitation of the exercise of the Warrant was not a violation of Rule 101 of Regulation M under the Exchange Act and (vi) the Underwriter is designated in writing as the soliciting NASD member. The Underwriter and any other soliciting broker/dealers will be prohibited from engaging in any market making activities or solicited brokerage activities with regard to the Company's securities during the periods prescribed by Rule 101 of Regulation M before the solicitation of the exercise of any Warrant until the later of the termination of such solicitation activity or the termination of any right the Underwriter and any other soliciting broker/dealer may have to receive a fee for the solicitation of the exercise of the Warrants.

For a description of the requirements with respect to the maintenance of an effective registration statement in order to permit holders to exercise Warrants, see "Risk Factors -- Non-registration in Certain Jurisdictions of Common Shares Underlying the Warrants; Exercise of Warrants."

PREFERRED STOCK

The Company is authorized to issue up to 2,000,000 shares of Preferred Stock in one or more series, each with such designations, rights, preferences, privileges and restrictions as may be determined from time to time by the Board of Directors. Accordingly, the Board of Directors is empowered, without further shareholder approval, to issue Preferred Stock with dividend, liquidation, conversion, voting or other rights that could decrease the amount of earnings and assets available for distribution to holders of Common Shares or adversely affect the voting power or other rights of the holders of Common Shares. The issuance of Preferred Stock could be used, under certain circumstances, as a method of discouraging, delaying or preventing a change in control of the Company. Anti-takeover provisions that could be included in the Preferred Stock when issued may have a depressive effect on the market price of the Company's securities and may limit shareholders' ability to receive a premium on their shares by discouraging takeover and tender offer bids. The Company has no present intention to issue any shares of Preferred Stock. The Company has agreed with the

Underwriter that, except for issuances disclosed in or contemplated by this Prospectus, it will not issue any securities, including but not limited to any shares of Preferred Stock, for a period of 24 months following the Effective Date, without the prior written consent of the Underwriter. See "Underwriting."

PRIOR FINANCINGS

In February 1997, the Company sold an aggregate of 495,000 Common Shares for a purchase price of $2.50 per Common Share (the "First Prior Financing"). The aggregate net proceeds to the Company from the First Prior Financing were $1,212,500, plus the discharge of a $25,000 debt owed to one of the investors. In connection with the First Prior Financing, purchasers of Common Shares offered thereby were granted a right to receive additional Common Shares if the Company engaged in an initial public offering of its Common Shares at a public offering price per share that was less than twice the per share purchase price paid by the investors in the First Prior Financing. In such event, the Company must issue additional Common Shares to the investors that participated in the First Prior Financing such that the effective purchase price paid by such investors for Common Shares (including the Additional Shares) equals one-half of the initial public offering price. Accordingly, assuming the Company completes this Offering at an initial public offering price of $4.20 per Unit, the Company will issue an aggregate of 94,286 Additional Shares to the investors that participated in the First Prior Financing.

The Company also granted "piggyback" registration rights to investors that purchased Common Shares in the First Prior Financing. See "-- Registration Rights."

In May through July 1997, the Company sold an aggregate of 26 units, each unit consisting of 20,000 Common Shares and 20,000 Bridge Warrants for a purchase price of $60,000 per unit, or an aggregate of $1,560,000 (the "Second Prior Financing"). Each Bridge Warrant entitles the registered holder thereof to purchase one Common Share at an exercise price of $4.50 per share, subject to adjustment in certain events, at any time commencing one year from the Effective Date and ending on the fourth anniversary of the Effective Date. On the Effective Date, the Bridge Warrants will convert automatically into warrants having terms identical to the Warrants being offered in the Offering.

In connection with the Second Prior Financing, the Company paid aggregate fees of $156,000 to Maidstone Financial, Inc., the Underwriter in this Offering, which acted as placement agent. In addition, the Company paid the Underwriter a $46,800 non-accountable expense allowance and other expenses of such financing. The net proceeds of the Second Prior Financing (approximately $1,248,348) were used in part to reduce the obligation under the note payable to the Predecessor Company ($500,000) and to fund the Company's operating losses and provide working capital.

REGISTRATION RIGHTS

Investors in the First Prior Financing have the right to request registration of the Common Shares issued in connection with the First Prior Financing in any registration statement filed by the Company with the Commission under the Securities Act (with certain exceptions) for the issuance and sale of its securities. Pursuant to lock-up agreements signed by each of the investors in the First Prior Financing, such investors have waived their registration rights with respect to this Offering and have agreed not to sell or otherwise dispose of securities of the Company, including Common Shares, for a period of 13 months following the Effective Date, without the prior written consent of the Underwriter, which may be granted or withheld in the sole and absolute discretion of the Underwriter.

Investors who acquired Common Shares and Bridge Warrants in the Second Prior Financing have the right to request registration of the Common Shares and/or Bridge Warrants (or securities issued therefor) and the Common Shares issued or issuable upon exercise therefor in any registration statement filed by the Company with the Commission under the Securities Act (with certain exceptions) for the issuance and sale of its securities. Pursuant to lock-up agreements signed by each of the investors in the Second Prior Financing, such investors have waived their registration rights with respect to this Offering and have agreed not to sell or otherwise dispose of securities of the Company, including Common Shares and the Bridge Warrants, for a

period of 13 months following the Effective Date, without the prior written consent of the Underwriter, which may be granted or withheld in the sole and absolute discretion of the Underwriter.

The holders of the Underwriter Warrants (including the securities issuable upon exercise thereof) have demand and piggyback registration rights with respect to the Common Shares issuable upon exercise of the Underwriter Warrants and the underlying Warrants, which Common Shares have been registered by the Company on the Registration Statement on Form SB-2 of which this Prospectus is a part.

SHARES ELIGIBLE FOR FUTURE SALE

Upon completion of the Offering, the Company will have outstanding 4,609,286 Common Shares (assuming no exercise of the Over-Allotment Option, the Warrants, the Bridge Warrants, the Underwriter Warrants and other outstanding options and warrants) and 1,416,664 shares of Series A Preferred Stock, which Series A Preferred Stock will be redeemed using a portion of the proceeds of this Offering. Of these shares, the 1,500,000 Common Shares sold in this Offering (in addition to the 3,000,000 Common Shares issuable upon exercise of the Warrants) will be freely tradeable without restriction under the Securities Act, except for any shares purchased by any person who is or thereby becomes an "affiliate" of the Company, which shares will be subject to the resale limitations contained in Rule 144 promulgated under the Securities Act. The remaining 3,109,286 Common Shares are "restricted securities" (as that term is defined in Rule 144) which may be publicly sold only if registered under the Securities Act or if sold in accordance with an applicable exemption from registration, such as Rule 144. Of the outstanding restricted Common Shares, 2,000,000 shares will be owned by Messrs. Lewis, Xirinachs and Chioini, who may be deemed "affiliates" of the Company, as that term is defined in Rule 144. An additional 520,000 Common Shares underlying the Bridge Warrants will, upon issuance, be "restricted securities."

In general, under Rule 144 as currently in effect, subject to the satisfaction of certain other conditions, a person, including an affiliate of the Company, whose restricted securities have satisfied a one-year holding period, is entitled to sell (together with any person with whom such individual is required to aggregate sales), within any three month period, a number of restricted shares that does not exceed the greater of 1% of the total number of outstanding shares of the same class, or, if the shares are quoted on The Nasdaq Stock Market or a national securities exchange, the average weekly trading volume during the four calendar weeks preceding the filing of Form 144 with respect to the sale. A person who has not been an affiliate of the Company for at least three months, and whose restricted securities have satisfied a two-year holding period, is entitled to sell such restricted securities under Rule 144 without regard to any of the limitations described above. Affiliates, however, continue to be subject to such limitations even after such two-year holding period, and they are subject to such limitations with respect to their sales of non-restricted securities.

The restricted Common Shares will be eligible for sale pursuant to Rule 144 commencing 90 days after the Effective Date. However, officers, directors and other security holders of the Company owning and/or having rights to acquire in the aggregate Common Shares have entered into agreements with the Underwriter not to sell or otherwise dispose of any securities of the Company, including Common Shares, for a period of 13 months following the Effective Date, without the prior written consent of the Underwriter, which may be granted or withheld in the sole and absolute discretion of the Underwriter; provided, however, that if prior to the expiration of the lock-up period, the Company's Common Shares are subject to a tender offer and holders of the Company's Common Shares (other than the existing shareholders) agree to tender a majority of the outstanding Common Shares to the offeror, then the Underwriter shall release all shareholders subject to the Lock-Up Agreements from the restrictions imposed thereby solely for the purpose of tendering their Common Shares to the offeror pursuant to the terms of the tender offer. Following expiration of the term of the Lock-Up Agreements, 3,109,286 shares will become eligible for resale pursuant to Rule 144, subject to the volume limitations and compliance with the other provisions of Rule 144. Furthermore, the holders of the Underwriter Warrants (including the securities issuable upon exercise thereof) have demand and piggyback registration rights with respect to the Common Shares issuable upon exercise of the Underwriter Warrants and the underlying Warrants, which Common Shares have been registered by the Company on the Registration Statement on Form SB-2 of which this Prospectus is a part. The Company also intends to register the 450,000

Common Shares issuable upon the exercise of options available under the Company's 1997 Stock Option Plan. In addition, the investors in the First Prior Financing and the investors in the Second Prior Financing have piggy-back registration rights with respect to their Common Share, Bridge Warrants and the 520,000 underlying Common Shares. These rights have been waived in connection with this Offering.

The Company is unable to predict the effect that sales under Rule 144, pursuant to a registered public offering or otherwise may have on the then prevailing market price of the Units, Common Shares or Warrants, but such sales may have a substantial depressive effect on such market price. The above is a summary of Rule 144 and is not intended to be a complete description of the Rule. See "-- Registration Rights," "--Warrants," "Certain Transactions" and "Underwriting".

As a result of the Offering, an additional 3,000,000 Common Shares (3,450,000 if the Over-Allotment Option is fully exercised) will be subject to issuance upon the exercise of the Warrants offered hereby, and an additional 450,000 Common Shares will be subject to issuance upon the exercise of the Underwriter Warrants and the underlying Warrants.

As of July 21, 1997, there were 39 record holders of the Common Shares.

ANTI-TAKEOVER LEGISLATION

Chapters 7A and 7B of the Michigan Business Corporation Act, as amended, may affect attempts to acquire control of the Company. In general, under Chapter 7A, "business combinations" (defined to include, among other transactions, certain mergers, dispositions of assets or shares and recapitalizations) between covered Michigan business corporations or their subsidiaries and an "interested shareholder" (defined as the direct or indirect beneficial owner of at least 10 percent of the voting power of a covered corporation's outstanding shares) can only be consummated if approved by at least 90 percent of the votes of each class of the corporation's shares entitled to vote and by at least two-thirds of such voting shares not held by the "interested shareholder" or affiliates, unless five years have elapsed after the person involved became an "interested shareholder" and unless certain price and other conditions are satisfied. The Board of Directors has the power to elect to be subject to Chapter 7A as to specifically identified or unidentified interested shareholders.

In general, under Chapter 7B, an entity that acquires "Control Shares" of the Company may vote the Control Shares on any matter only if a majority of all shares, and of all non-"Interested Shares", of each class of stock entitled to vote as a class, approve such voting rights. Interested Shares are shares owned by officers of the Company, employee-directors of the Company and the entity making the Control Share Acquisition (as defined). Control Shares are shares that, when added to shares already owned by an entity, would give the entity voting power in the election of directors or any of three thresholds: one-fifth, one-third and a majority. The effect of the statute is to condition the acquisition of voting control of a corporation on the approval of a majority of the pre-existing disinterested shareholders. The Board of Directors may amend the bylaws before a Control Share Acquisition occurs to provide that Chapter 7B does not apply to the Company.

TRANSFER AGENT AND WARRANT AGENT

The Company has engaged American Stock Transfer & Trust Company to act as Transfer Agent for the Company's Units and Common Shares and Warrant Agent for the Warrants.

UNDERWRITING

Subject to the terms and conditions of the underwriting agreement (the "Underwriting Agreement"), the Company has agreed to sell to the Underwriter, and the Underwriter has agreed to purchase, the number of Units set forth opposite its name below at the public offering price less the underwriting discounts and commissions set forth on the cover page of this Prospectus:

UNDERWRITER	UNITS
Maidstone Financial, Inc.	1,500,000
Total.....	1,500,000

The Underwriting Agreement provides that the obligations of the Underwriter are subject to certain conditions precedent. The Underwriter is committed to purchase all of the Units offered hereby, on a firm commitment basis, if any are purchased.

The Underwriter has advised the Company that it proposes initially to offer the 1,500,000 Units to the public at the public offering price set forth on the cover page of this Prospectus and that it may allow to selected dealers who are members of the NASD concessions not in excess of $ per Unit, of which not more than $ per Unit may be re-allowed to certain other dealers who are NASD members. After the initial public offering, the public offering price, concession and reallowance may be changed by the Underwriter.

The Underwriting Agreement also provides that the Underwriter will receive a non-accountable expense allowance of 3% of the gross proceeds of the Offering. The Company also has agreed to pay all expenses in connection with qualifying the Units, Common Shares and the Warrants offered hereby for sale under the laws of such states as the Underwriter may designate, including expenses of counsel retained for such purpose by the Underwriter.

Pursuant to the Over-Allotment Option, which is exercisable for a period of 45 days after the Effective Date, the Underwriter may purchase up to 225,000 Units, solely to cover over-allotments, at the offering price, less the underwriting discounts and commissions.

The Company has agreed to sell to the Underwriter on the closing date of this Offering, for $10, the Underwriter Warrants to purchase 150,000 Units. The Underwriter Warrants shall be exercisable for a period of three years commencing , 1998 (one year after the Effective Date) at an exercise price equal to $5.04 (120% of the offering price of the Units sold to the public in the Offering). The Underwriter Warrants are not transferable prior to , 1998, except to officers of the Underwriter, members of the selling group and their officers and partners.

The Company has agreed that, upon written request of the then holder(s) of a majority of the Warrants and the Common Shares issued and/or issuable upon exercise of the Underwriter Warrants (the "Underwriter Warrant Shares") which were originally issued to the Underwriter or to its designees, made at any time within the period commencing one year and ending five years after the Effective Date, the Company will file, at its sole expense, no more than once, a registration statement under the Securities Act registering the Underwriter Warrant Shares. The Company has agreed to use its best efforts to cause the registration statement to become effective. The holders of the Underwriter Warrants may demand registration without exercising the Underwriter Warrants and, in fact, are never required to exercise such Underwriter Warrants. The Company has registered the Underwriter Warrant Shares pursuant to the Registration Statement on Form SB-2 of which this Prospectus is a part.

The Company has also agreed that if, at any time within the period commencing one year and ending five years after the Effective Date, it should file a registration statement with the Commission pursuant to the Securities Act, regardless of whether some of the holders of the Underwriter Warrants and the Underwriter Warrant Shares shall have therefore availed themselves of any of the registration rights above, the Company, at its own expense, will offer to said holders (with certain exceptions) the opportunity to register the

Underwriter Warrant Shares. The objection of a subsequent underwriter to the above "piggyback" registration rights would preclude such inclusion.

In addition to the demand and "piggyback" registration rights described above, the Company has agreed to cooperate with the then holders of the Underwriter Warrants and Underwriter Warrant Shares in the preparation and execution of any registration statement required in order to sell or transfer the Underwriter Warrant Shares and will supply all information required therefor, but the expenses of such registration statement will be pro-rated between the Company and the holders of the Underwriter Warrants and Underwriter Warrant Shares in proportion to the aggregate sales price of the securities being issued by each of them.

For the life of the Underwriter Warrants, the holders thereof are given, at nominal cost, the opportunity to profit from a rise in the market price of the Common Shares with a resulting dilution in the interest of other shareholders of the Company. Further, such holders may be expected to exercise the Underwriter Warrants at a time when the Company would in all likelihood be able to obtain equity capital on terms more favorable than those provided in the Underwriter Warrants. In addition, the Company may find it more difficult to raise additional capital while the Underwriter Warrants are outstanding.

In connection with this Offering, the Underwriter and selling group members and their respective affiliates may engage in stabilizing, syndicate short covering transactions, or other transactions during the offering that may stabilize, maintain or otherwise affect the market price of the Units, Common Shares and Warrants. Stabilization transactions, effected in accordance with Rule 104 of Regulation M, are bids for or purchases of Units, Common Shares or Warrants for the purpose of preventing or retarding a decline in the market price of the Units, Common Shares or Warrants or all of them to facilitate the Offering. The Underwriter also may create a short position for its account by selling more Units in connection with the Offering than it is committed to purchase from the Company, and in such case may purchase Units, Common Shares or Warrants in the open market to cover all or a portion of such short position. The Underwriter may also cover all or a portion of such short position by exercising the Over-Allotment Option. Any of the transactions described in this paragraph may result in the maintenance of the price of the Units, Common Shares and Warrants at a level above that which might otherwise prevail in the open market. None of the transactions described in this paragraph is required, and, if they are undertaken they may be discontinued at any time.

The Company has agreed not to issue any Common Shares, preferred stock or any warrants, options or other rights to purchase Common Shares or preferred stock prior to , 1999, without the prior written consent of the Underwriter, except as contemplated by or as disclosed in this Prospectus. Officers, directors and other security holders of the Company owning and/or having rights to acquire in the aggregate Common Shares, have entered into agreements not to sell or otherwise dispose of any securities of the Company, including Common Shares (except under certain circumstances in connection with a third party tender offer for the Common Shares), prior to , 1998, without the prior written consent of the Underwriter, which may be granted or withheld in the sole and absolute discretion of the Underwriter. See "Shares Eligible for Future Sale."

The Company has granted to the Underwriter, effective upon completion of this Offering, a right of first refusal for a period of three years after the Effective Date for any public or private offering of securities by the Company, its affiliates or any present or future subsidiaries to raise capital.

The Underwriting Agreement provides for reciprocal indemnification between the Company and the Underwriter against liabilities in connection with the Offering, including liabilities under the Securities Act.

The Underwriter has informed the Company that it does not expect sales to discretionary accounts to exceed % of the Units offered hereby.

The Underwriter has served as the sole or managing underwriter of only four firm commitment public offerings and participated in two other underwritten public offerings as a member of the underwriting syndicate. Since the Underwriter's experience in underwriting firm commitment public offerings is limited, there can be no assurance that its lack of experience may not adversely affect the public offering of the

Company's securities and the subsequent development, if any, of a trading market for the Company's securities. See "Risk Factors -- Underwriter's Influence on the Market; Possible Limitations on Market Making Activities."

The Company has been advised that the Underwriter is subject to an informal investigation commenced in March 1996 by the Securities and Exchange Commission. To date, the Commission has only requested certain documents from the Underwriter, and the Underwriter has not been advised of the status of the investigation. There can be no assurance that a formal order of investigation will not be issued, or if issued, that sanctions will not be imposed against the Underwriter. In October 1996, the NASD commenced an examination of certain of the Underwriter's previous underwritings and has requested documents and information in connection with those underwritings. The NASD examination is ongoing and no findings have been made to date. There can be no assurance that such investigation or examination may not affect the Underwriter's ability to maintain a market in the Units, Common Shares and Warrants.

The Company has agreed that upon the Effective Date of the Offering it will, for a period of not less than three years, engage a designee, acceptable to the Company and the Underwriter, as an advisor to the Board. In lieu of the Underwriter's right to designate an advisor, the Company has agreed, if requested by the Underwriter during such three year period, to nominate and use its best efforts to cause the election of a designee of the Underwriter as a director of the Company. The Underwriter has not yet designated any such person.

The Underwriter intends to act as a market maker for the Units, Common Shares and Warrants after the closing of the Offering.

The Company will pay the Underwriter a fee of 5% of the exercise price of each Warrant exercised, provided (i) the market price of the Common Shares on the date the Warrant was exercised was equal to or greater than the Warrant exercise price on that date, (ii) the exercise of the Warrant was solicited by a member of the NASD, (iii) the Warrant was not held in a discretionary account, (iv) the disclosure of compensation arrangements was made in documents provided to the holders of the Warrants, (v) the solicitation of the exercise of the Warrant was not a violation of Rule 101 of Regulation M under the Exchange Act and (vi) the Underwriter is designated in writing as the soliciting NASD member. The Underwriter and any other soliciting broker/dealers will be prohibited from engaging in any market making activities or solicited brokerage activities with regard to the Company's securities during the periods prescribed by Rule 101 of Regulation M before the solicitation of the exercise of any Warrant until the later of the termination of such solicitation activity or the termination of any right the Underwriter and any other soliciting broker/dealer may have to receive a fee for the solicitation of the exercise of the Warrants.

The Underwriter acted as placement agent for the Second Prior Financing, for which it received selling commissions of $156,000 and a non-accountable expense allowance of $46,800 and other expenses of the offering.

The Company has agreed to retain the Underwriter as a management and financial advisor for a period of 24 months commencing on the Effective Date at a fee equal to $4,166 per month. The entire fee ($99,984) is payable at the closing of the Offering. In its capacity as an advisor to the Company, the Underwriter will be obligated to provide general financial advisory services to the Company on an as-needed basis with respect to possible future financings or acquisitions by the Company and related matters. The Underwriter is not obligated to provide any minimum number of hours of advisory services to the Company.

In addition, the Company has agreed to engage a financial public relations firm reasonably satisfactory to the Underwriter. The public relations firm will not be associated with the Underwriter or any of its affiliates. Such firm, or an acceptable substitute firm, shall be continuously engaged until a date 24 months from the closing of the Offering.

The initial public offering price of the Units offered hereby and the initial exercise price and other terms of the Warrants have been determined by negotiation between the Company and the Underwriter and do not necessarily bear any direct relationship to the Company's assets, earnings, book value per share or other generally accepted criteria of value. Factors considered in determining the offering price of the Units and the

exercise price of the Warrants included the business in which the Company is engaged, the Company's financial condition, an assessment of the Company's management, the general condition of the securities markets, the demand for similar securities of comparable companies, and other factors deemed relevant.

LEGAL MATTERS

The validity of the securities offered hereby will be passed upon for the Company by Honigman Miller Schwartz and Cohn, 2290 First National Building, Detroit, Michigan 48226-3583. Certain legal matters in connection with the Offering will be passed upon for the Underwriter by Gersten, Savage, Kaplowitz, Fredericks & Curtin, LLP, 101 East 52nd Street, New York, New York 10022-6018.

EXPERTS

The combined balance sheet of the Predecessor Company as of February 19, 1997 and December 31, 1996 and the combined statements of operations, shareholders' deficiency and cash flows for the period from January 1, 1997 through February 19, 1997 and the year ended December 31, 1996 included in this Prospectus, the consolidated balance sheet of the Company as of May 31, 1997 and the consolidated statements of operations, shareholders' equity and cash flows for the period from inception to May 31, 1997 included in this Prospectus, have been audited by Coopers & Lybrand LLP, independent auditors, as stated in their reports appearing in this Prospectus and elsewhere in the registration statement (which reports on the financial statements express an unqualified opinion and include an explanatory paragraph referring to an uncertainty concerning the Company's ability to continue as a going concern), and have been included herein in reliance on the reports of Coopers & Lybrand L.L.P., independent accountants, given on the authority of said firm as experts in accounting and auditing.

INDEX TO FINANCIAL STATEMENTS

[COOPERS & LYBRAND LETTERHEAD]

COOPERS & LYBRAND LOGO

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders of
Rockwell Medical Technologies, Inc. and Subsidiary:

We have audited the consolidated balance sheet of Rockwell Medical Technologies, Inc. and Subsidiary at May 31, 1997 and the related consolidated statements of income, stockholders' equity, and cash flows for the period ended May 31, 1997. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Rockwell Medical Technologies, Inc. and Subsidiary at May 31, 1997 and the results of their operations and their cash flows for the period ended May 31, 1997 in conformity with generally accepted accounting principles.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the consolidated financial statements, the Company has incurred losses from operations and requires additional cash flow to fund operations and the redemption of the Series A Preferred Stock due January 31, 1998 that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 3. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

COOPERS & LYBRAND LLP

Detroit, Michigan
July 11, 1997, except for Note 11 as to
which the date is July 22, 1997

Coopers & Lybrand L.L.P. is a member of Coopers & Lybrand International, a limited liability association incorporated in Switzerland.

ROCKWELL MEDICAL TECHNOLOGIES, INC. AND SUBSIDIARY

CONSOLIDATED BALANCE SHEET
(WHOLE DOLLARS)

	MAY 31, 1997
Certificate of Deposit	$ 25,000
Accounts Receivable, net of allowance for doubtful accounts of $10,000	299,544
Inventory	311,878
Other Current Assets	123,374
Total Current Assets	759,796
Property and Equipment, net	658,857
Other Noncurrent Assets	138,397
Excess of Purchase Price over Fair Value of Net Assets Acquired, net	1,910,207
Total Assets	$3,467,257
Notes Payable to Shareholders	$ 125,000
Accounts Payable	500,027
Accrued Liabilities	91,605
Total Current Liabilities	716,632
Redeemable Preferred Stock -- Series A	1,416,664
Shareholders' Equity:	
Common Stock	2,106,350
Deficit	(772,389)
	1,333,961
Total Liabilities and Shareholders' Equity	$3,467,257

The accompanying notes are an integral part of the consolidated financial statements.

ROCKWELL MEDICAL TECHNOLOGIES, INC. AND SUBSIDIARY

CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD FROM INCEPTION TO MAY 31, 1997
(WHOLE DOLLARS)

Sales	$ 795,271
Cost of Sales	1,103,088
Gross Deficit	(307,817)
Selling, General and Administrative	421,060
Interest Expense, net	43,512
Net loss	$ (772,389)
Net Loss per share	$ (0.30)

The accompanying notes are an integral part of the consolidated financial statements.

ROCKWELL MEDICAL TECHNOLOGIES, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD FROM INCEPTION TO MAY 31, 1997
(WHOLE DOLLARS)

	COMMON SHARES	COMMON STOCK	RETAINED DEFICIT	TOTAL SHAREHOLDERS' EQUITY
Issuance of Common Stock, no par value -- Initial Capitalization.....	2,000,000	$ 1,000		$ 1,000
Issuance of Common Stock, no par value -- First Prior Financing.....	495,000	1,212,500		1,212,500
Issuance of Common Stock, no par value -- Second Prior Financing.....	351,667	892,850		892,850
Net loss.....			(772,389)	(772,389)
Total.....	2,846,667	$2,106,350	$(772,389)	$1,333,961

The accompanying notes are an integral part of the consolidated financial statements.

ROCKWELL MEDICAL TECHNOLOGIES, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM INCEPTION TO MAY 31, 1997
(WHOLE DOLLARS)

Cash flows from operating activities:	
Net loss	$ (772,389)
Adjustments to reconcile net loss to net cash used for operating activities:	
Depreciation and Amortization	90,107
	(682,282)
Changes in Working Capital:	
Increase in Accounts Receivable	(110,270)
Increase in Inventory	(67,231)
Increase in Other current Assets	(74,476)
Decrease in Accounts Payable	(179,914)
Increase in Other Liabilities	61,728
Net change in Working Capital	(370,163)
Net cash used in operations	(1,052,445)
Cash flows from investing activities:	
Purchase of Business, net of cash acquired	(508,887)
Purchase of Equipment	(6,621)
Purchase of Certificate of Deposit	(25,000)
Cash used in Investing Activities	(540,508)
Cash flows from financing activities:	
Issuance of Common Stock -- initial capitalization	1,000
Issuance of Common Stock -- First Prior Financing	1,212,500
Issuance of Common Stock -- Second Prior Financing	892,850
Proceeds from notes payable-shareholders	125,000
Payment on promissory note	(500,000)
Deposits paid on leases	(138,397)
Cash provided by financing activities	1,592,953
Increase in cash	--
Cash at beginning of period	0
Cash at end of period	$ 0

The accompanying notes are an integral part of the consolidated financial statements.

ROCKWELL MEDICAL TECHNOLOGIES, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. ORGANIZATION AND CAPITALIZATION

Rockwell Medical Technologies, Inc. (the "Company") was incorporated in October 1996 for the purpose of purchasing and operating the business of Rockwell Medical Supplies, L.L.C. and its sister company, Rockwell Transportation, L.L.C. (collectively, the "Predecessor Companies" or the "Seller"). The Company is, and the Predecessor Companies were, in the business of manufacturing and distributing hemodialysis concentrates and dialysis kits to hemodialysis clinics throughout the United States and Venezuela. Sales to Venezuela accounted for approximately 15% of total sales. The Company also packages, sells and distributes ancillary products related to the hemodialysis process, as did the Predecessor Companies.

The Company received $1,212,500 in net proceeds from the issuance of Common Stock in the First Prior Financing. Approximately $500,000 of which was used to partially fund the acquisition of the Predecessor Companies. The remaining purchase price was financed through the issuance of a $1,916,664 promissory note (see Note 4).

The Company is regulated by the Federal Food and Drug Administration under the Federal Drug and Cosmetics Act, as well as by other federal, state and local agencies. In March 1996 the Predecessor Companies received 510(k) approval from the FDA to market hemodialysis solutions and powders, which commenced in May 1996. The 510(k) approval was assigned to the Company in connection with the purchase of the Predecessor Companies.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The consolidated financial statements of the Company include the accounts of Rockwell Medical Technologies, Inc. and its wholly-owned subsidiary, Rockwell Transportation, Inc. All intercompany balances and transactions have been eliminated.

REVENUE RECOGNITION

The Company recognizes revenue at the date of shipment.

INVENTORY

Inventory is stated at net realizable value, which includes only raw material costs and excludes the conversion costs required to produce finished goods, due to continuing negative gross margins.

PROPERTY AND EQUIPMENT

Property and Equipment are recorded at cost. Expenditures for normal maintenance and repairs are charged to expense as incurred. Property and equipment are depreciated using the straight line method over their useful lives, which range from three to eight years.

EXCESS OF PURCHASE PRICE OVER FAIR VALUE OF NET ASSETS ACQUIRED

The excess of the price paid by the Company over the fair value of the net assets of the Predecessor Companies has been recorded as an intangible asset and is being amortized on the straight line basis over an estimated useful life of 10 years. The Company assesses the recoverability of the asset based on estimated future undiscounted cash flows of the business. Based upon the Company's analysis no impairment of the asset exists at May 31, 1997.

INCOME TAXES

The Company has recorded a deferred tax asset of approximately $257,000 related to the net operating loss carry forward. This deferred asset has been fully offset by a valuation allowance due to the uncertainty of realization.

ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date the financial statements and reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

NET LOSS PER SHARE

Net loss per share is calculated based on the weighted average shares outstanding of 2,617,553 including 94,286 of additional shares estimated to be issuable to the shareholders in the First Prior Financing who were entitled to receive additional shares for no additional consideration if the public offering price of the shares to be issued in an initial public offering of the Company's securities was less than $5.00 per share.

3. MANAGEMENT'S PLAN OF OPERATION

Since February 20, 1997 the Company had been engaged in the business of manufacturing, selling, and distributing hemodialysis concentrates and kits to various clinics throughout the United States and Venezuela. The Company paid approximately $2.4 million for the operating assets and liabilities of the Predecessor Companies. Since inception through May 31, 1997 the Company has recorded losses of $772,389 and used approximately $1,052,000 to fund operating needs since the purchase of the business (see Note 4). Those needs were funded, from inception through May 31, 1997, through proceeds from the issuance of Common Stock and warrants.

A significant portion of the working capital requirements, approximately $375,000, was due to an initial funding of an escrow account for future facility lease payments, and the immediate payment to trade creditors to ensure continued uninterrupted delivery of raw materials and services. After considering these one-time cash requirements, the Company estimates its cash flows from operations will be deficient by approximately $100,000 per month for the next three to six months for working capital purposes. To fund these working capital requirements, the Company anticipates using a three phased approach as follows 1.) negotiating with its trade creditors to extend terms of payment, 2.) securing a line of credit with a commercial banking institution to be drawn on as funds are required, and 3.) using the proceeds from the issuance of 1,500,000 shares of the Company's Common Stock in a registration to be filed with the Securities and Exchange Commission (the "Offering"). Anticipated net proceeds associated with this Offering are estimated at approximately $5 million. Without the successful completion of the Offering the future viability of the Company cannot be assured.

In addition to working capital requirements, the Company is required to redeem the 8.5% Series A Preferred Stock on January 31, 1998. (See note 8). Without the successful completion of the Offering, the Company will be unable to meet the mandatory redemption obligation of the Series A Preferred Stock. In the event the Company fails to meet these redemption requirements a change in control of the Company may result.

The Company has developed cost reduction plans to improve efficiencies and reduce costs. In particular the distribution costs associated with the Company's wholly owned subsidiary, Rockwell Transportation, Inc. are substantial. Cost reduction plans are being developed to reduce inefficiencies in the Company's transportation operations and in the production process. Plans to maximize production capacity through both

increased production hours and equipment utilization are in process. The Company feels that the market demand is greater than current production quantities and that increasing capacity through fundamental management techniques can be effected with minimum variable labor and manufacturing costs. Further, these actions will require minimum capital investment.

Future Company plans have been developed to increase sales with new product offerings and increased market penetration of existing product lines; however these actions will require capital investment estimated at $1.8 million. The effective implementation of these plans will not be possible without the successful completion of the Offering.

There can be no assurance that even if the Company receives additional capital it will be able to achieve the planned efficiencies and increased sales levels to sustain its operations. There can be no assurance that the Company will obtain any funds on terms acceptable to the Company and at times required by the Company. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount or classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

4. PURCHASE OF THE BUSINESS

Effective February 19, 1997 the Company purchased the assets and assumed certain liabilities of the Predecessor Companies for a purchase price of approximately $2.4 million, excluding liabilities assumed. The transaction was accounted for using the purchase method of accounting. The purchase price has been allocated to assets acquired and liabilities assumed based on the estimated fair market value at the date of acquisition, as follows:

Working capital, less cash acquired	$ (226,999)
Property and Equipment	688,534
Excess of purchase price over fair value of net assets	1,964,016
	2,425,551
Promissory Note at 8.5%	(1,916,664)
Net cash paid for business acquired	$ 508,887

The purchase price consisted of : (i) $150,000 cash payment to the Sellers; (ii) a cash payment to NBD Bank of approximately $375,000 to retire related outstanding debt; and (iii) the remainder of the purchase price was satisfied by an 8.5% promissory note (the "Note") in the principal amount of approximately $1.9 million. Under the terms of the Note and the Asset Purchase Agreement, a prepayment of $500,000 on the Note was due in May 1997. Pursuant to a letter agreement, the Sellers agreed that upon receipt of the prepayment, the remaining Note balance would be converted into shares of Series A Redeemable Preferred Stock at a conversion ratio of one share of Series A Preferred Stock to one dollar of outstanding principal due under the Note. The Company made the required prepayment and the Note was converted to 1,416,664 shares of Series A Preferred Stock.

5. INVENTORY

Components of inventory are as follows:

Raw Materials	$229,962
Finished Goods	81,916
Total	$311,878

6. PROPERTY AND EQUIPMENT

Major classes of Property and Equipment, stated at cost, are as follows:

Leasehold Improvements	$ 57,400
Machinery and Equipment	428,867
Office Furniture and Equipment	85,141
Laboratory Equipment	77,056
Vehicles including trailers	46,691
	$695,155
Accumulated Depreciation	(36,298)
Net Property, and Equipment	$658,857

7. NOTES PAYABLE TO SHAREHOLDERS

On May 31, 1997 shareholders notes payable were $125,000 at an interest rate of 8.5%. All notes and accrued interest were paid in full in June 1997.

8. LEASES

The Company leases a facility for production and administrative offices as well as transportation equipment used by the Company's subsidiary, Rockwell Transportation, Inc. These leases have been accounted for as operating leases. Lease payments were $166,647 for the period ended May 31, 1997. Future minimum rental payment under lease agreements are as follows:

Period from June 1, 1997 to December 31, 1997	$254,931
Year ending December 31, 1998	437,025
Year ending December 31, 1999	348,475
Year ending December 31, 2000	192,510
Year ending December 31, 2001	12,600

In accordance with the assignment of the facility lease from the Predecessor Companies, the landlord required a deposit in escrow of $178,000 which is to be applied against future lease payments of $39,542 in each of the years ending December 31, 1998 and 1999, $59,313 in the year ending December 31, 2000, with the balance held as additional security deposit until the expiration of the facility lease.

A $25,000 letter of credit has been established for the benefit of certain lessors. The letter of credit is collateralized by a short term certificate of deposit.

9. CAPITAL STOCK

The authorized capital stock of the Company consists of 4,000,000 shares of Common Stock, no par value per share, of which 2,846,667 shares were outstanding at May 31, 1997; and 8.5% non-voting cumulative redeemable Series A Preferred Stock, $1.00 par value (the "Series A Preferred Stock"), of which 1,416,664 shares were issued effective May 31, 1997.

COMMON STOCK

Holders of the shares of Common Stock are entitled to one vote per share on all matters submitted to a vote of shareholders of the Company and are to receive dividends when and if declared by the Board of Directors. Dividends may not be paid to the common shareholders until the redeemable Series A preferred stock is redeemed. The Board is authorized to issue additional shares of Common Stock within the limits of

the Company's Articles of Incorporation without further shareholder action. Holders of 495,000 shares of Common Stock are entitled to receive an additional 94,286 shares of Common Stock at the effective date of the offering for no additional consideration per the terms of the First Prior Financing Agreement. These shares have been included in the net loss per share calculation.

SERIES A PREFERRED STOCK

Holders of Series A Preferred Stock are entitled to receive, out of funds legally available for the payment of dividends, cumulative cash dividends in the amount of $.085 per share per year accruing from June 1, 1997, as and when directed by the Board of Directors of the Company. As long as any shares of Series A Preferred Stock are outstanding, the Company may not (i) declare, pay, or set money, securities or other property apart for the payment of, any dividend on any shares of the Company, including all classes of common stock and any other series of preferred stock (all of such shares of the Company referred to as "Junior Shares"), or (ii) make any payment on account of, or set money, securities or other property apart for, the payment into a sinking or other similar fund for the purchase, redemption or other retirement of, any of the Junior Shares or any warrants, rights, calls or other options exercisable for or exchangeable into any of the Junior Shares (collectively the "Junior Securities"), or (iii) make any distribution in respect of any Junior Securities, either directly or indirectly, and whether in cash, obligations or shares of the Company or other property (other than distributions or dividends in Junior Shares to the holders of Junior Shares), and shall not permit any corporation or other entity directly or indirectly controlled by the Company to purchase or redeem any of the Junior Securities, unless prior to or currently with such declaration, payment, setting apart for payment, purchase, redemption or distribution, as the case may be, all accrued and unpaid dividends on the Series A Preferred Stock shall have been paid.

The Company is required to redeem all outstanding shares of Series A Preferred Stock on January 31, 1998 (the "Mandatory Redemption Date"), at a redemption price equal to $1.00 per share plus accumulated and unpaid dividends accrued through the Mandatory Redemption Date. The purchase price must be paid in cash. From and after the Mandatory Redemption Date, the holders of Series A Preferred Stock will not have any rights as shareholders of the Company except the right to receive from the Company the redemption price of such Series A Preferred Stock, without interest, upon the surrender of such Series A Preferred Stock to the Company. In addition, the Company has the right and option at any time prior to the Mandatory Redemption Date to purchase, redeem or otherwise acquire any or all of the Series A Preferred Stock for a purchase price equal to $1.00 per share plus accumulated and unpaid dividends on such share through the date of repurchase or redemption.

Subject to the prior rights of the Company's creditors, the holders of the Series A Preferred Stock are entitled to receive, upon any voluntary or involuntary liquidation, dissolution or winding-up of the Company, $1.00 per share, plus accrued and unpaid dividends. If, in any such case, the assets of the Company are insufficient to make such payment in full, then the available assets will be distributed among the holders of the Series A Preferred Stock ratably in proportion to the full amount to which each holder would be entitled.

Holders of Series A Preferred Stock have no conversion rights, however, the obligation of the Company to effect the mandatory redemption of the Series A Preferred Stock by the Mandatory Redemption Date is guaranteed by certain of the Company's principal shareholders (the "Guaranty"). Such Guaranty is secured by the pledge of 1,478,260 shares of Common Stock (the "Pledged Shares") pursuant to an Escrow Agreement dated as of July 22, 1997 (the "Escrow Agreement"). In the event the Company fails to redeem the outstanding shares of Series A Preferred Stock on or before the Mandatory Redemption Date, the Predecessor Companies have a period of 45 days following such date to elect either to: (i) exercise their rights under the Guaranty and the Escrow Agreement to retain the shares of Common Stock which remain held in escrow, in full satisfaction and discharge of the Guaranty and the Company's obligation to redeem the Series A Preferred Stock; or (ii) terminate their rights under the Guaranty and to relinquish and terminate

their interest in the Pledged Shares and to proceed against the Company to collect the outstanding redemption payment.

Holders of Series A Preferred Stock have no voting rights except as may be required by law.

WARRANTS

Holders of the Warrants are entitled to purchase at the stated exercise price of the Warrant one share of Common Stock of the Company subject to certain adjustments and provisions. At May 31, 1997 there were 351,667 warrants issued and outstanding. These Warrants do not become effective until after the completion of the Offering (see Note 2 in these Notes to Consolidated Financial statements).

Each Warrant will be separately transferable and will entitle the registered holder to purchase one share of Common Stock at the exercise price of $4.50 per share for a period of three years commencing one year after the effective date of the Offering and ending on the fourth anniversary of the effective date of the Offering (the "Exercise Period"). The exercise price and the number of shares of Common Stock to be issued upon the exercise of each Warrant are subject to adjustment in the event of stock split, stock dividend, recapitalization, merger, consolidation or certain other events.

Under certain conditions, the Warrants may be redeemed by the Company at a redemption price of $.10 per Warrant upon not less than 30 days prior written notice to the holders of such Warrants, provided the closing bid price of the Common Stock has been at least $8.50 for 20 consecutive trading days ending on the third day prior to the date the notice of redemption is given.

10. RELATED PARTIES TRANSACTIONS

During the period ended May 31, 1997 the Company paid or accrued fees to the consulting firm of Wall Street Partners, Inc. for financial and management services of $175,000. Under a current agreement, the Company is obligated to pay additional consulting fees of $175,000 over the next year. The principals of the consulting firm are shareholders of the Company and members of the Board of Directors.

In addition, the Company settled a certain obligation in the amount of $25,000 to a related party through the issuance of 10,000 shares of Common Stock.

11. SUBSEQUENT EVENTS

On July 22, 1997, the Company amended its Articles of Incorporation to: increase the authorized Common Stock to 20,000,000 shares; and to provide for the issuance of the 1,416,664 shares of Series A Preferred Stock. On July 22, 1997 the Company issued 1,416,664 shares of Series A Preferred Stock, effective May 31, 1997, to the Sellers in accordance with the Asset Purchase Agreement (see Note 4).

The Amendment to the Articles of Incorporation also authorizes the Company to issue up to 2,000,000 shares of "blank check" Preferred Stock (the "Blank Check Preferred Stock") with such designations, rights and preferences as may be determined from time to time by the Board of Directors. Accordingly, the Board is empowered without further shareholder approval, to issue the Blank Check Preferred Stock with dividend liquidation, conversion, voting or other rights that could decrease the amount of earnings and assets available for distribution to holders of Common Stock or adversely affect the voting power or other rights of the holders of the Company's Common stock. In the event of issuance, the Blank Check Preferred Stock could be utilized, under certain circumstances, as a method of discouraging, delaying or preventing change in control of the Company.

On July 15, 1997 the Board of Directors and shareholders of the Company adopted the Rockwell Medical Technologies, Inc. 1997 Stock Option Plan. The plan provides for the issuance of 450,000 options with an exercise price equal to fair value at the date of grant. Also effective July 15, 1997, the Company granted 295,500 Stock options to officers and directors of the Company at an exercise price of $3.00.

[COOPERS & LYBRAND LETTERHEAD]

COOPERS & LYBRAND LOGO

REPORT OF INDEPENDENT ACCOUNTANTS

To the Members of
Rockwell Medical Supplies, L.L.C and
Rockwell Transportation, L.L.C:

We have audited the combined balance sheets of Rockwell Medical Supplies, L.L.C and Rockwell Transportation, L.L.C (the "Company") at February 19, 1997 and December 31, 1996 and the related combined statements of income, members' deficit, and cash flows for the period ended February 19, 1997 and the year ended December 31, 1996. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Rockwell Medical Supplies, L.L.C and Rockwell Transportation, L.L.C at February 19, 1997 and December 31, 1996 and the results of their operations and their cash flows for the period ended February 19, 1997 and the year ended December 31, 1996 in conformity with generally accepted accounting principles.

COOPERS & LYBRAND LLP

Detroit, Michigan
July 11, 1997

Coopers & Lybrand L.L.P. is a member of Coopers & Lybrand International, a limited liability association incorporated in Switzerland.

ROCKWELL MEDICAL SUPPLIES, L.L.C.
AND ROCKWELL TRANSPORTATION, L.L.C.

COMBINED BALANCE SHEETS
(WHOLE DOLLARS)

	FEBRUARY 19, 1997	DECEMBER 31, 1996
Cash	$ 44,270	$ 65,978
Accounts Receivable, net of allowance for doubtful accounts of $10,000 and $5,000 at February 19, 1997 and December 31, 1996, respectively	189,274	205,168
Inventory	244,647	343,539
Other Current Assets	48,898	48,417
Total Current Assets	527,089	663,102
Property and Equipment, net	670,885	728,557
Total Assets	$ 1,197,974	$ 1,391,659
Notes Payable, Bank	375,000	375,000
Payable to Members	$ 1,868,149	$ 1,868,149
Accounts Payable	679,941	512,074
Accrued Liabilities	33,315	28,848
Total Current Liabilities	2,956,405	2,784,071
Members' Deficit:		
Contributed Capital	50,000	50,000
Deficit	(1,808,431)	(1,442,412)
Total Liabilities and Members' Deficit	$ 1,197,974	$ 1,391,659

The accompanying notes are an integral part of the combined financial statements.

ROCKWELL MEDICAL SUPPLIES, L.L.C.
AND ROCKWELL TRANSPORTATION, L.L.C.

COMBINED INCOME STATEMENTS
(WHOLE DOLLARS)

	JANUARY 1 TO FEBRUARY 19, 1997	YEAR ENDED DECEMBER 31, 1996
Sales	$ 343,555	$ 1,019,856
Cost of Sales	529,121	1,617,363
Gross Margin	(185,566)	(597,507)
Selling, General and Administrative Expenses	177,015	773,344
Interest Expense	3,438	12,634
Net Loss	$(366,019)	$(1,383,485)

The accompanying notes are an integral part of the combined financial statements.

ROCKWELL MEDICAL SUPPLIES, L.L.C.
AND ROCKWELL TRANSPORTATION, L.L.C.

COMBINED STATEMENT OF CHANGES IN MEMBERS' DEFICIT
(WHOLE DOLLARS)

	CONTRIBUTED CAPITAL	DEFICIT	TOTAL MEMBERS DEFICIT
Balances at January 1, 1996	$50,000	$ (58,927)	$ (8,927)
Net loss	--	(1,383,485)	(1,383,485)
Balances at December 31, 1996	50,000	(1,442,412)	(1,392,412)
Net loss for the period January 1, 1997 to February 19, 1997	--	(366,019)	(366,019)
Balances at February 19, 1997	$50,000	$(1,808,431)	$(1,758,431)

The accompanying notes are an integral part of the combined financial statements.

ROCKWELL MEDICAL SUPPLIES, L.L.C.
AND ROCKWELL TRANSPORTATION, L.L.C.

COMBINED STATEMENT OF CASH FLOWS
(WHOLE DOLLARS)

	JANUARY 1 TO FEBRUARY 19, 1997	YEAR ENDED DECEMBER 31, 1996
Cash flows from Operating Activities:		
Net loss	$(366,019)	$(1,383,485)
Adjustments to reconcile net loss to net cash used for operating activities:		
Depreciation	17,649	133,659
Changes in working capital:		
Accounts Receivable	15,894	(205,168)
Inventory	98,892	(343,539)
Other Current Assets	(481)	(8,876)
Accounts Payable	207,890	512,074
Accrued Liabilities	4,467	28,848
Net cash used in operating activities	(21,708)	(1,266,487)
Cash flows from Investing Activities:		
Purchases of Equipment		(549,713)
Net cash used in investing activities	--	(549,713)
Cash flows from Financing Activities:		
Members' capital contributions	--	50,000
Proceeds of Bank loans	--	375,000
From Members	--	1,457,178
Net cash provided by financing activities	--	1,882,178
Net (decrease) increase in cash	(21,708)	65,978
Cash at beginning of the period	65,978	--
Cash at end of the period	$ 44,270	$ 65,978
Supplemental cash flow information		
Interest expense paid	3,438	12,634

Supplemental non-cash disclosure:
$40,023 of equipment was exchanged for payment of an account payable.

The accompanying notes are an integral part of the combined financial statements.

ROCKWELL MEDICAL SUPPLIES, L.L.C.
AND ROCKWELL TRANSPORTATION, L.L.C.

NOTES TO COMBINED FINANCIAL STATEMENTS

1. ORGANIZATION AND CAPITALIZATION

Rockwell Medical Supplies, L.L.C. was established in October 1995 for the purpose of manufacturing hemodialysis concentrates and dialysis kits for sale and distribution to hemodialysis clinics throughout the United States. It also packages, sells and distributes ancillary products related to the hemodialysis process.

There was limited activity during 1995, consisting primarily of the purchase of certain equipment, the payment of a facility lease security deposit and the payment of $58,927 for certain start up expenses.

Rockwell Transportation, L.L.C. was established in March 1996 for the purpose of distributing products produced by Rockwell Medical Supplies, L.L.C. The combined entity of Rockwell Medical Supplies, L.L.C. and Rockwell Transportation, L.L.C. is referred to as the "Company".

The Company is regulated by the Federal Food and Drug Administration under the Federal Drug and Cosmetics Act, as well as by other Federal, State and Local agencies. In March 1996 the Company received 510(k) approval from the FDA to market hemodialysis solutions and powders. The Company began manufacturing, distributing and selling hemodialysis solutions in May 1996.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The combined financial statements of the Company include the accounts of Rockwell Medical Supplies, L.L.C. and it's sister company Rockwell Transportation, L.L.C. which are entities under common control. All intercompany balances and transactions have been eliminated.

REVENUE RECOGNITION

The Company recognizes revenue at the date of shipment.

INVENTORY

Inventory is stated at net realizable value, including raw material costs and excluding the conversion cost required to produce finished goods. Cost of sales for the period ended February 19, 1997 is calculated based on the material gross margin for the preceding twelve month period.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost. Expenditures for normal maintenance and repairs are charged to expense as incurred. Property and equipment are depreciated using the straight line method over their useful life, which ranges from three to eight years.

INCOME TAXES

As a limited liability company, it was intended that the Company be classified as a partnership for federal income tax purposes and, as such, it was treated as a "pass-through" entity that was not subject to federal income tax.

ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

ROCKWELL MEDICAL SUPPLIES, L.L.C.
AND ROCKWELL TRANSPORTATION, L.L.C.

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)

LOSS PER SHARE

The Company is a Limited Liability Corporation; accordingly loss per share information is not relevant.

3. SALE OF THE BUSINESS

Effective February 19, 1997 the assets of the Company were sold to Rockwell Medical Technologies, Inc. (the "Successor Company"). Total purchase price for essentially all the operating assets was approximately $2.4 million excluding the assumption of certain liabilities. The Asset Purchase Agreement provided a cash payment at closing of $150,000 to the Sellers; payoff of the Notes Payable to Bank of $375,000; and the balance in the form of a promissory note of approximately $1.9 million payable to certain members of the Company. In May 1997, as provided in the Asset Purchase Agreement, a $500,000 cash payment was received on the promissory note. The remaining unpaid principal was converted to 8.5% Non-Voting Redeemable Series A Preferred Stock of the Successor Company, redeemable on or before January 31, 1998.

One of the Members of the Company is a minority shareholder of the Successor Company and is employed as an Officer and Director of the Successor Company.

4. INVENTORY

Components of inventory are as follows:

	FEBRUARY 19, 1997	DECEMBER 31, 1996
Raw Material	$121,829	$282,235
Finished Goods	122,818	61,304
Total	$244,647	$343,539

5. PROPERTY AND EQUIPMENT

Major classes of Property and Equipment, stated at cost, are as follows:

	FEBRUARY 19, 1997	DECEMBER 31, 1996
Machinery and Equipment	$ 580,875	$ 580,875
Office furniture and equipment	109,562	109,562
Laboratory Equipment	95,326	95,326
Vehicles, including trailers	36,170	76,453
Total Cost	821,933	862,216
Accumulated Depreciation	(151,048)	(133,659)
Net Property and Equipment	$ 670,885	$ 728,557

6. PAYABLE TO MEMBERS

Payable to Members is comprised of obligations of the Company to certain Members of the Company who advanced operating funds to the Company during 1996 and 1995.

ROCKWELL MEDICAL SUPPLIES, L.L.C.
AND ROCKWELL TRANSPORTATION, L.L.C.

NOTES TO COMBINED FINANCIAL STATEMENTS -- (CONTINUED)

7. NOTES PAYABLE TO BANK

The Company had a Master Demand Business Loan Note with National Bank of Detroit in the amount of $400,000, at the current prime rate, of which $375,000 was outstanding at December 31, 1996 and February 19, 1997. At December 31, 1996 and February 19, 1997 the bank's prime rate was 8.5%. The principal and interest amounts of the Note were paid in full in accordance with the Asset Purchase Agreement (See Note 3). This note was collateralized by the assets of the Company.

8. LEASES

The Company leases a facility and certain equipment under operating leases. Lease payments were $339,790 and $50,439 for the year ended December 31, 1996 and the period ended February 19, 1997, respectively. Effective February 19, 1997 all leases relating to the operations of the Company were assigned to the Successor Company.

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YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS DOCUMENT. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION THAT IS DIFFERENT. THIS PROSPECTUS IS NOT AN OFFER TO SELL NOR IS IT SEEKING AN OFFER TO BUY THESE SECURITIES IN ANY STATE WHERE THE OFFER OR SALE IS NOT PERMITTED. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE OF COMMON SHARES IMPLIES UNDER ANY CIRCUMSTANCES THAT THERE HAS BEEN NO CHANGE IN THE CIRCUMSTANCES OF THE COMPANY OR THE FACTS DESCRIBED IN THIS PROSPECTUS SINCE THE DATE OF THIS PROSPECTUS.

TABLE OF CONTENTS

UNTIL , 1997 (25 DAYS AFTER THE DATE OF THIS PROSPECTUS) ALL DEALERS EFFECTING TRANSACTIONS IN THE REGISTERED SECURITIES, WHETHER OR NOT PARTICIPATING IN THIS DISTRIBUTION, MAY BE REQUIRED TO DELIVER A PROSPECTUS. THIS IS IN ADDITION TO THE OBLIGATION OF DEALERS TO DELIVER A PROSPECTUS WHEN ACTING AS UNDERWRITERS AND WITH RESPECT TO THEIR UNSOLD ALLOTMENTS OR SUBSCRIPTIONS.

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1,500,000 UNITS

ROCKWELL MEDICAL TECHNOLOGIES, INC.

CONSISTING OF
1,500,000 COMMON SHARES AND
3,000,000 COMMON SHARE
PURCHASE WARRANTS

PROSPECTUS

MAIDSTONE FINANCIAL, INC.

MAIDSTONE LOGO

, 1997

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PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 24. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Under Sections 561-571 of the Michigan Business Corporation Act, as amended, directors and officers of a Michigan corporation may be entitled to indemnification by the corporation against judgments, expenses, fines and amounts paid by the director or officer in settlement of claims brought against them by third persons or by or in the right of the corporation if those directors and officers acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interest of the corporation or its shareholders.

The Registrant is obligated under its bylaws and an employment agreement with its chief executive officer to indemnify a present or former director or executive officer of the Registrant, and may indemnify any other person, to the fullest extent now or hereafter permitted by law in connection with any actual or threatened civil, criminal, administrative or investigative action, suit or proceeding arising out of their past or future service to the Registrant or a subsidiary, or to another organization at the request of the Registrant or a subsidiary. In addition, the Articles of Incorporation of the Company, as amended, limit certain personal liabilities of directors of the Company.

Reference is also made to Section of the Underwriting Agreement (a form of which is attached to this Registration Statement as Exhibit 1.1) with respect to undertakings to indemnify the Registrant, its directors and officers and each person who controls the Registrant within the meaning of the Securities Act of 1933, as amended (the "Securities Act"), against certain civil liabilities, including certain liabilities under the Securities Act.

The Registrant has obtained Directors' and Officers' liability insurance. The policy provided for $1,000,000 in coverage including prior acts dating to the Company's inception and liabilities under the Securities Act in connection with this Offering.

ITEM 25. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The following table sets forth the expenses (other than underwriting discounts and commissions) which will be paid by the Registrant in connection with the issuance and distribution of the securities being registered hereby. With the exception of the SE registration fee and the NASD filing fee, all amounts indicated are estimates.

SE Registration fee	$ 7,538
NASD filing fee	2,988
Nasdaq listing fee	10,000
Underwriter non-accountable expense allowance	189,000
Underwriter advisory fee	99,984
Directors' and Officers' liability insurance	80,000
Printing expenses (other than stock certificates)	60,000
Printing and engraving of stock and warrant certificates	4,000
Legal fees and expenses (other than blue sky)	100,000
Accounting fees and expenses	100,000
Blue sky fees and expenses (including legal and filing fees)	35,000
Transfer Agent and Warrant Agent fees and expenses	5,000
Miscellaneous	6,490
Total	$700,000

ITEM 26. RECENT SALES OF UNREGISTERED SECURITIES

Since inception (October 25, 1996), the Company has sold securities to a limited number of persons, as described below. Except as indicated, there were no underwriters involved in the transactions and there were

no underwriting discounts or commissions paid in connection therewith. The purchasers of securities in each such transaction represented their intention to acquire the securities for investment only and not with a view to, or for sale in connection with, any distribution thereof and appropriate legends were affixed to the certificates for the securities issued in such transactions. All purchasers of securities in each such transaction had adequate access to information about the Company, and in the case of transactions exempt from registration under Section 4(2) of the Securities Act, were sophisticated investors.

1. In October 1996, in connection with the formation of the Company, the Company sold to Gary D. Lewis, Michael J. Xirinachs and Robert L. Chioini an aggregate of 2,000,000 Common Shares for an aggregate purchase price of $1,000. The Common Shares were sold in reliance of the exemptions from registration contained in Section 4(2) of the Securities Act.

2. In February 1997, the Company sold to 17 accredited investors an aggregate of 495,000 Common Shares at a price of $2.50 per share. The gross proceeds to the Company from such sales were $1,237,500 (including the discharge of a $25,000 debt owed to one of the investors). The Common Shares were sold in reliance upon the exemption from registration contained in Sections 4(2) and 4(6) of the Securities Act and Rule 506 of Regulation D promulgated under Section 4(2) of the Securities Act ("Regulation D").

3. In May through July 1997, the Company sold to 19 accredited investors an aggregate of 26 units, each unit consisting of 20,000 Common Shares and 20,000 Common Shares Purchase Warrants, at a price of $60,000 per unit (the "Second Prior Financing"), for gross proceeds of $1,560,000. The warrants are exercisable to purchase one Common Share each at any time during the three year period beginning one year after the Effective Date at $4.50 per share. In connection with the Second Prior Financing, the Company paid Maidstone Financial, Inc., as placement agent, selling commissions of $156,000, and a non-accountable expense allowance of $46,800. Each of the investors in the Second Prior Financing represented to the Company that such investor was an "accredited investor" (as defined in Rule 501(a) of Regulation D). The securities sold in the Second Prior Financing were sold in reliance upon the exemptions from registration contained in Section 4(2) and 4(6) of the Securities Act and Rule 506 of Regulation D.

4. In July 1997, the Company issued and sold to RMS of Michigan, L.L.C. (formerly known as Rockwell Medical Supplies, LLC, "Supply Company") 1,416,664 shares of Series A Preferred Stock at a purchase price of $1.00 per share, in consideration for the cancellation of a promissory note, issued by the Company in favor of Supply Company, which had an outstanding principal balance of $1,416,664. Such Series A Preferred Stock was issued and sold in reliance upon the exemption from registration contained in Section 4(2) of the Act.

ITEM 27. EXHIBITS

See Exhibit Index immediately preceding the exhibits.

ITEM 28. UNDERTAKINGS

(a) The undersigned small business issuer hereby undertakes that it will:

(1) File, during any period in which it offers or sells securities, a post-effective amendment to this registration statement to:

(i) Include any prospectus required by section 10(a)(3) of the Securities Act;

(ii) Reflect in the prospectus any facts or events which, individually or together, represent a fundamental change in the information set forth in the registrant 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) Include any additional or changed material information on the plan of distribution.

(2) For determining any liability under the Securities Act, treat each post-effective amendment as a new registration statement relating to the securities offered, and the offering of such securities at that time to be the initial bona fide offering.

(3) File a post-effective amendment to remove from registration any of the securities that remain unsold at the end of the offering.

(b) The undersigned small business issuer hereby undertakes that it will provide the Underwriter at the closing specified in the Underwriting Agreement certificates in such denominations and registered in such names as required by the Underwriter to permit prompt delivery to each purchaser.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 (the "Securities Act") may be permitted to directors, officers and controlling persons of the small business issuer pursuant to the foregoing provisions, or otherwise, the small business issuer 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 small business issuer of the expenses incurred or paid by a director, officer, or controlling person of the small business issuer 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 small business issuer 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 Securities Act and will be governed by the final adjudication of such issue.

(d) The undersigned small business issuer will:

(1) For determining any liability under the Securities Act, treat the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the small business issuer under Rule 424(b)(1) or (4) or 497(h) under the Securities Act as part of this registration statement as of the time the Commission declared it effective.

(2) For determining any liability under the Securities Act, treat each post-effect amendment that contains a form of prospectus as a new registration statement for the securities offered in the registration statement, and that offering of the securities at that time as the initial bona fide offering of those securities.

SIGNATURES

In accordance with 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 SB-2 and authorized this Registration Statement to be signed on its behalf by the undersigned, in the City of Wixom, State of Michigan, on July 22, 1997.

ROCKWELL MEDICAL TECHNOLOGIES, INC.
(Registrant)

By: /s/ ROBERT L. CHIOINI

Robert L. Chioini
President and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each of the undersigned officers and directors of Rockwell Medical Technologies, Inc., a Michigan corporation (the "Company"), hereby constitutes and appoints Robert L. Chioini and Gary D. Lewis, and each of them (with full power of substitution and re-substitution), his or her true and lawful attorneys-in-fact and agents for each of the undersigned and on his or her behalf and in his or her name, place and stead, in any and all capacities, with full power and authority in such attorneys-in-fact and agents and in any one or more of them, to sign, execute and affix his seal thereto and file with the Securities and Exchange Commission and any state securities regulatory board or commission the registration statement on Form SB-2 to be filed by the Company under the Securities Act of 1933, as amended, which registration statement relates to the registration and sale of Units, Common Shares and Warrants by the Company, any and all amendments or supplements to such registration statement, including any amendment or supplement thereto changing the amount of securities for which registration is being sought, any post-effective amendment, and any registration statement or amendment to such registration statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933, with all exhibits and any and all documents required to be filed with respect thereto with any regulatory authority, including, without limitation, The Nasdaq Stock Market, the National Association of Securities Dealers, Inc. and any federal or state regulatory authority pertaining to such registration statement; granting unto such attorneys-in-fact, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises in order to effectuate the same as fully to all intents and purposes as he or she might or could do if personally present, hereby ratifying and confirming all that such attorneys-in-fact and agents, and each of them and any of their substitutes, may lawfully do or cause to be done by virtue of this Power of Attorney.

In accordance with 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 stated.

SIGNATURE	TITLE	DATE
/s/ ROBERT L. CHIOINI Robert L. Chioini	President, Chief Executive Officer and Director (Principal Executive Officer)	July 22, 1997
/s/ JAMES J. CONNOR James J. Connor	Vice President of Finance, Chief Financial Officer, Treasurer and Secretary (Principal Financial Officer and Principal Accounting Officer)	July 22, 1997
/s/ GARY D. LEWIS Gary D. Lewis	Director	July 22, 1997
/s/ MICHAEL J. XIRINACHS Michael J. Xirinachs	Director	July 22, 1997
/s/ NORMAN L. MCKEE Norman L. McKee	Director	July 22, 1997

EXHIBIT INDEX

EXHIBIT	DESCRIPTION
1.1	Form of Underwriting Agreement
1.2	Form of Advisory and Investment Banking Agreement between the Registrant and Maidstone Financial, Inc.
3(i).1	Articles of Incorporation of the Registrant
3(i).2	Certificate of Amendment to Articles of Incorporation of the Registrant
3(i).3	Certificate of Correction to Articles of Incorporation of the Registrant
3(i).4	Certificate of Amendment to Articles of Incorporation of the Registrant
3(ii)	Bylaws of the Registrant
4.1*	Form of Warrant Agreement
4.2	Form of Underwriter's Unit Purchase Option
4.3*	Specimen Common Share Certificate
4.4	Specimen Warrant Certificate (included as Exhibit A to Exhibit 4.1)
4.5*	Form of Bridge Warrant
4.6*	Registration Rights Agreement among the Registrant and the holders of the Bridge Warrants
4.7*	Form of Lock-up Agreement
5.1*	Opinion of Honigman Miller Schwartz and Cohn concerning the legality of the securities being offered
10.1	Rockwell Medical Technologies, Inc. 1997 Stock Option Plan
10.2	Employment Agreement dated as of February 19, 1997 between the Company and Robert L. Chioini
10.3	Consulting and Financial Advisory Services Agreement dated February 19, 1997 between the Company and Wall Street
10.4	Asset Purchase Agreement dated as of November 1, 1996 by and among the Predecessor Company, the Family Partnerships (as defined therein), the Members (as defined therein) and the Company (formerly known as Acquisition Partners, Inc.)
10.5	First Amendment to Asset Purchase Agreement dated as of January 31, 1997 by and among the Predecessor Company, the Family Partnerships, the Members and the Company (formerly known as Acquisition Partners, Inc.)
10.6	Second Amendment to Asset Purchase Agreement dated as of February 19, 1997 by and among the Predecessor Company, the Family Partnerships, the Members and the Company (formerly known as Acquisition Partners, Inc.)
10.7	Letter Agreement dated April 4, 1997 among the parties to the Asset Purchase Agreement concerning the conversion of the promissory note payable to the Supply Company
10.8	Share Pledge and Escrow Agreement dated as of July 22, 1997 among the Principal Shareholders, the Supply Company, the Company and Honigman Miller Schwartz and Cohn, as Escrow Agent.
10.9	Lease Agreement dated as of September 5, 1995 between the Supply Company, as tenant, and Oakland Oaks, L.L.C., as landlord
10.10	Assignment and First Amendment to Wixom Building Lease dated as of February 19, 1997 among the Supply Company, as assignor, the Company, as assignee, and Oakland Oaks, L.L.C., as landlord
21.1	List of Subsidiaries
23.1	Consent of Coopers & Lybrand LLP
23.2	Consent of Honigman Miller Schwartz and Cohn (to be included in Exhibit 5.1 to this Registration Statement)
24.1	Power of Attorney (included on the signature page of this Registration Statement)
27.1	Financial Data Schedule for the Company
27.2	Financial Data Schedule for the Predecessor Companies
27.3	Financial Data Schedule for the Predecessor Companies

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* To be filed by amendment.

EXHIBIT 1.1

ROCKWELL MEDICAL TECHNOLOGIES, INC.

UNDERWRITING AGREEMENT

New York, New York

Dated: , 1997

MAIDSTONE FINANCIAL, INC.
101 East 52nd Street
New York, New York 10022

Gentlemen:

The undersigned, ROCKWELL MEDICAL TECHNOLOGIES, INC., a Michigan corporation (the "Company"), proposes to issue and sell to Maidstone Financial, Inc. ("Maidstone" or "Underwriter") pursuant to this Underwriting Agreement ("Agreement"), an aggregate of 1,500,000 Units (the "Units"), each consisting of one share of the common stock, no par value per share, of the Company (the "Common Stock"), and two Class A Redeemable Common Stock Purchase Warrants (the "Warrants"). The Warrants are each exercisable to purchase one share of Common Stock, at any time commencing one year from the date on which the Registration Statement (as defined in Section 1(a) hereof), shall have become or been declared effective (the "Effective Date"), and ending on the fourth anniversary of the Effective Date. The Warrant exercise price, subject to adjustment as described in the agreement providing for the Warrants (the "Warrant Agreement"), shall be $4.50 per share, subject to adjustment as described in the Warrant Agreement.

The shares of Common Stock and the Warrants included in the Units will be detachable and separately transferable immediately upon issuance. Commencing one year after the Effective Date, the Warrants are subject to redemption by the Company at $0.10 per Warrant, provided that (a) prior notice of not less than 30 days is given to the holders of the Warrants (the "Warrantholders"), and (b) the closing bid price per share of Common Stock, if traded on The NASDAQ Stock Market, or the last sale price per share of Common Stock, if

traded on a national exchange, for the 20 consecutive trading days ending on the third day prior to the date on which notice of redemption is given, is in excess of $8.50.

In addition, the Company proposes to grant to Maidstone the Over-Allotment Option (as defined in Section 2(c) hereof) to purchase all or any part of an aggregate of 225,000 additional Units, and to issue to you the Underwriter's Unit Purchase Options (as defined in Section 11 hereof) to purchase certain further additional Units.

The aggregate of 1,500,000 shares of Common Stock comprising the Units to be sold by the Company, together with the aggregate of 225,000 additional shares of Common Stock comprising the Units that are the subject of the Over-allotment Option, are herein collectively called the "Shares." The Units, the Shares, the Warrants (including the Warrants included in the Units, the additional Warrants included in the Units subject to the Over-Allotment Option and the Warrants issuable upon exercise of the Underwriter's Unit Purchase Options), the shares of Common Stock issuable upon exercise of the Warrants and the shares of Common Stock issuable upon exercise of the Underwriter's Unit Purchase Options, are herein collectively called the "Securities." The term "Underwriter's Counsel" shall mean the firm of Gersten, Savage, Kaplowitz, Fredericks & Curtin, LLP, counsel to the Underwriter, and the term "Company Counsel" shall mean the firm of Honigman Miller Schwartz & Cohn, counsel to the Company. Unless the context otherwise requires, all references herein to a "Section" shall mean the appropriate Section of this Agreement.

You have advised the Company that you desire to purchase the Units as herein provided. The Company confirms the agreements made by it with respect to the purchase of the Units by you, as follows:

1. REPRESENTATIONS AND WARRANTIES OF THE COMPANY. The Company represents and warrants to, and agrees with, the Underwriter that:

(a) REGISTRATION STATEMENT; PROSPECTUS; A registration statement (File No. 33-_____) on Form SB-2 relating to the public offering of the Securities (the "Offering"), including a preliminary form of prospectus, copies of which have heretofore been delivered to you, has been prepared by the Company in conformity with the requirements of the Securities Act of 1933 (the "Act"), and the rules and regulations of the Securities and Exchange Commission (the "Commission") promulgated thereunder (the "Rules and Regulations"), and has been filed with the Commission under the Act. As used herein, the term "Preliminary Prospectus" shall mean each prospectus filed pursuant to Rule 430 or Rule 424(a) of the Rules and Regulations. The Preliminary Prospectus bore the legend required by Item 501 of Regulation S-B under the Act and the Rules and Regulations. Such registration statement (including all financial statements, schedules and exhibits) as amended at the time it becomes effective and the final prospectus included therein are herein respectively called the "Registration Statement" and the "Prospectus," except that (i) if the prospectus filed by the Company pursuant to Rule 424(b) or Rule 430A of the Rules and Regulations shall differ from such final prospectus as then amended, then the term "Prospectus" shall instead mean the prospectus first filed

pursuant to said Rule 424(b) or Rule 430A, and (ii) if such registration statement is amended or such prospectus is amended or supplemented after the effective date of such registration statement and prior to the Option Closing Date (as defined in Section 2(c) hereof), then (unless the context necessarily requires otherwise) the term "Registration Statement" shall include such registration statement as so amended, and the term "Prospectus" shall include such prospectus as so amended or supplemented, as the case may be.

(b) CONTENTS OF REGISTRATION STATEMENT. On the Effective Date, and at all times subsequent thereto for so long as the delivery of a prospectus is required in connection with the offering or sale of any of the Securities, (i) the Registration Statement and the Prospectus shall in all material respects conform to the requirements of the Act and the Rules and Regulations, and (ii) neither the Registration Statement nor the Prospectus shall include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary or make statements therein in light of the circumstances in which they were made, not misleading; provided, however, that the Company makes no representations, warranties or agreements as to information contained in or omitted from the Registration Statement or Prospectus in reliance upon, and in conformity with, written information furnished to the Company by or on behalf of the Underwriter specifically for use in the preparation thereof. It is understood that the statements set forth in the Prospectus with respect to stabilization, the material set forth under the caption "UNDERWRITING," the information on the cover page of the Prospectus regarding the underwriting arrangements and the identity of the Underwriter's Counsel under the caption "LEGAL MATTERS," which information the Underwriter hereby represents and warrants to the Company is true and correct in all material respects and does not omit to state any material fact required to be stated therein or necessary to make statements therein, in light of the circumstances in which they were made, not misleading, constitute the only information furnished in writing by or on behalf of the Underwriter for inclusion in the Registration Statement and Prospectus, as the case may be.

Except for the registration rights granted under the Underwriter's Unit Purchase Options, to the Selling Security Holders named in the Registration Statement, or as disclosed in the Prospectus, no holders of any securities of the Company or of any options, warrants or convertible or exchangeable securities of the Company exercisable for or convertible or exchangeable for securities of the Company, have the right to include any securities issued by the Company in the Registration Statement or any registration statement to be filed by the Company.

(c) ORGANIZATION, STANDING, ETC. The Company and Rockwell Medical Transport, Inc., the Company's wholly-owned subsidiary (the "Subsidiary"), are each duly incorporated and validly exist as corporations in good standing under the laws of their respective jurisdictions of incorporation, with full power and corporate authority to own their properties and conduct their business as described in the Prospectus, and are duly qualified or licensed to do business as foreign corporations and are in good standing in each other jurisdiction in which the nature of their business or the character or location of their properties requires such qualification, except where failure so to qualify will not have a material adverse effect on the

business, properties or financial condition of the Company or the Subsidiary, as the case may be.

(d) CAPITALIZATION. The authorized, issued and outstanding capital stock of the Company as of the date of the Prospectus is as set forth in the Prospectus under the caption "CAPITALIZATION". The shares of Common Stock issued and outstanding on the Effective Date have been duly authorized, validly issued and are fully paid and non-assessable. No options, warrants or other rights to purchase, agreements or other obligations to issue, or agreements or other rights to convert any obligation into, any shares of capital stock of the Company or the Subsidiary have been granted or entered into by the Company or the Subsidiary, except as expressly described in the Prospectus. The Securities conform to all statements relating thereto contained in the Registration Statement or the Prospectus.

(e) SECURITIES. The Securities conform, or will conform when issued, in all material respects to all statements with respect thereto contained in the Registration Statement and the Prospectus. The Securities have been duly authorized and, when issued and delivered against payment therefor pursuant to this Agreement, the Warrant Agreement or the Underwriter's Unit Purchase Option, as the case may be, will be duly authorized, validly issued, fully paid and non-assessable and free of preemptive rights of any security holder of the Company. Neither the filing of the Registration Statement nor the offering or sale of any of the Securities as contemplated by this Agreement gives rise to any rights, other than those which have been waived or satisfied, for or relating to the registration of any securities of the Company, except as described in the Registration Statement.

(f) AUTHORITY, ETC. This Agreement, the Warrant Agreement, the Underwriter's Unit Purchase Option, and the Financial Consulting Agreement (as hereinafter defined), have been duly and validly authorized, executed and delivered by the Company and, assuming due execution of this Agreement and such other agreements by the other party or parties hereto and thereto, constitute valid and binding obligations of the Company enforceable against the Company in accordance with their respective terms. The Company has full right, power and lawful authority to authorize, issue and sell the Securities and the Underwriter's Unit Purchase Option on the terms and conditions set forth herein. All consents, approvals, authorizations and orders of any court or governmental authority which are required in connection with the authorization, execution and delivery of such agreements, the authorization, issue and sale of the Securities and the Underwriter's Unit Purchase Option, and the consummation of the transactions contemplated hereby have been obtained.

(g) NO CONFLICT. Except as described in the Prospectus, neither the Company nor the Subsidiary is in violation, breach or default of or under, and consummation of the transactions hereby contemplated and fulfillment of the terms of this Agreement will not conflict with or result in a breach of, any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge or encumbrance pursuant to the terms of, any contract, indenture, mortgage, deed of trust, loan agreement or other material agreement or instrument to which the Company or the Subsidiary is a party or by which the

Company or the Subsidiary may be bound or to which any of the property or assets of the Company or the Subsidiary are subject, nor will such action result in any violation of the provisions of the Certificate of Incorporation or the By-laws of the Company, or the certificate of incorporation or by-laws of the Subsidiary, or any statute or any order, rule or regulation applicable to the Company or the Subsidiary, or of any court or of any regulatory authority or other governmental body having jurisdiction over the Company or the Subsidiary.

(h) ASSETS. Subject to the qualifications stated in the Prospectus: (i) the Company and the Subsidiary, as the case may be, has good and marketable title to all properties and assets described in the Prospectus as owned by it, including without limitation intellectual property, free and clear of all liens, charges, encumbrances or restrictions, except such as do not materially affect the value of such properties or assets and do not interfere with the use made or proposed to be made of such assets or properties by the Company or the Subsidiary or are not materially significant or important in relation to the business of the Company or the Subsidiary, as the case may be; (ii) all of the material leases and subleases under which the Company or the Subsidiary is the lessor or sublessor of properties or assets or under which the Company or the Subsidiary hold properties or assets as lessee or sublessee, as described in the Prospectus, are in full force and effect and, except as described in the Prospectus, neither the Company nor the Subsidiary is in default in any material respect with respect to any of the terms or provisions of any of such leases or subleases, and no claim has been asserted by any party adverse to the rights of the Company or the Subsidiary as lessor, sublessor, lessee or sublessee under any such lease or sublease, or affecting or questioning the right of the Company or the Subsidiary to continued possession of the leased or subleased premises or assets under any such lease or sublease, except as described or referred to in the Prospectus; and (iii) the Company and the Subsidiary, as the case may be, owns or leases all such assets and properties, described in the Prospectus, as are necessary to its operations as now conducted and, except as otherwise stated in the Prospectus, as proposed to be conducted as set forth in the Prospectus.

The outstanding debt, the property and the business of the Company conforms in all material respects to the descriptions thereof contained in the Registration Statement and Prospectus.

(i) INDEPENDENT ACCOUNTANTS. Coopers & Lybrand, who have given their report on certain financial statements filed or to be filed with the Commission as a part of the Registration Statement, and which are included in the Prospectus, are with respect to the Company, independent public accountants as required by the Act and the Rules and Regulations.

(j) FINANCIAL STATEMENTS. The consolidated financial statements, together with related notes, set forth in the Registration Statement and the Prospectus present fairly the consolidated financial position, results of operations, changes in stockholders' equity and cash flows of the Company and the Subsidiary on the basis stated in the Registration Statement, at the respective dates and for the respective periods to which they apply. Such financial statements and related notes have been prepared in accordance with generally accepted

accounting principles applied on a consistent basis throughout the entire period involved, except to the extent disclosed therein. The Summary Financial Data and Selected Financial Data included in the Registration Statement and the Prospectus present fairly the information shown therein and have been prepared on a basis consistent with that of the financial statements included in the Registration Statement and the Prospectus.

(k) NO MATERIAL CHANGE. Except as otherwise set forth in the Prospectus, subsequent to the respective dates as of which information is given in the Registration Statement and the Prospectus, neither the Company nor the Subsidiary has: (i) incurred any liability or obligation, direct or contingent, or entered into any transaction, which is material to its business; (ii) effected or experienced any change in its capital stock or incurred any long-term debt; (iii) issued any options, warrants or other rights to acquire its capital stock; (iv) declared, paid or made any dividend or distribution of any kind on its capital stock; or (v) effected or experienced any adverse change, or development involving a prospective adverse change, in its financial position, net worth, results of operations, business or business prospects, assets or properties or key personnel.

(l) LITIGATION. Except as set forth in the Prospectus, there is not now pending nor, to the knowledge of the Company, threatened, any action, suit or proceeding (including any related to environmental matters or discrimination on the basis of age, sex, religion or race), whether or not in the ordinary course of business, to which the Company or the Subsidiary is a party or its business or property is subject, before or by any court or governmental authority, which, if determined adversely to the Company, would have a material adverse effect on the financial position, net worth, or results of operations, business or business prospects, assets or property of the Company or the Subsidiary; and no labor disputes involving the employees of the Company or the Subsidiary exist which would affect materially adversely the business, property, financial position or results of operations of the Company or the Subsidiary.

(m) EMPLOYEE AND INDEPENDENT CONTRACTOR MATTERS. The Company and the Subsidiary have generally enjoyed satisfactory employer/employee relationships with their respective employees and are in compliance in all material respects with all Federal, state and local laws and regulations, including but not limited to, applicable tax laws and regulations, respecting the employment of their respective employees and employment practices, terms and conditions of employment and wages and hours relating thereto. To the knowledge of the Company or the Subsidiary, there are no pending or threatened investigations involving the Company or the Subsidiary by the U.S. Department of Labor or corresponding foreign agency, or any other governmental agency responsible for the enforcement of such Federal, state or local laws and regulations. To the knowledge of the Company or the Subsidiary, there are no unfair labor practice charges or complaints against the Company or the Subsidiary pending before the National Labor Relations Board or corresponding foreign agency or any strikes, picketing, boycotts, disputes, slowdowns or stoppages pending or threatened against or involving the Company or the Subsidiary, or any predecessor entity, and none has occurred. No representation question exists respecting the employees of the Company or the Subsidiary. No collective bargaining agreements or modifications thereof are currently in effect or being negotiated by the Company or the Subsidiary and their respective employees. No grievance or

arbitration proceeding is pending under any expired or existing collective bargaining agreements of the Company or the Subsidiary.

Neither the Company nor the Subsidiary: (i) maintain nor have maintained, sponsored or contributed to any program or arrangement that is an "employee pension benefit plan," an "employee welfare benefit plan" or a "multi-employer plan" as such terms are defined in Sections 3(2), 3(1) and 3(37), respectively of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), except for the Stock Option Plan described in the Prospectus; (ii) presently maintain or contribute nor at any time in the past, have they maintained or contributed to a defined benefit plan, as defined in Section 3(35) of ERISA; or (iii) has ever completely or partially withdrawn from a "multi- employer plan."

The Company and the Subsidiary have generally enjoyed satisfactory relationships with their respective independent contractors and are in compliance in all material respects with all federal, state and local laws and regulations, including but not limited to applicable tax laws and regulations, respecting the engagement of their respective independent contractors.

(n) NO UNLAWFUL PROSPECTUSES. The Company has not distributed any prospectus or other offering material in connection with the Offering contemplated herein, other than any Preliminary Prospectus, the Prospectus or other material permitted by the Act and the Rules and Regulations.

(o) TAXES. Except as disclosed in the Prospectus, the Company and the Subsidiary have filed all necessary federal, state, local and foreign income and franchise tax returns and has paid all taxes shown as due thereon on or before the date such taxes are due to be paid; and there is no tax deficiency which has been or, to the knowledge of the Company, might be asserted against the Company or the Subsidiary.

(p) LICENSES, ETC. The Company and the Subsidiary have in effect all necessary licenses, permits and other governmental authorizations currently required for the conduct of its business or the ownership of its property, as described in the Prospectus, and is in all material respects in compliance therewith. To the knowledge of the Company, none of the activities or business of the Company or the Subsidiary is in violation of, or would cause the Company or the Subsidiary to violate, any law, rule, regulation or order of the United States, any country, state, county or locality, the violation of which would have a material adverse effect upon the financial position, net worth, results of operations, business or business prospects, assets or property of the Company or the Subsidiary.

(q) NO PROHIBITED PAYMENTS. Neither the Company, the Subsidiary, nor, to the knowledge of the Company or the Subsidiary, any of their respective employees or officers or directors, agents or any other person acting on behalf of the Company or the Subsidiary has, directly or indirectly, contributed or agreed to contribute any money, gift or similar benefit (other than legal price concessions to customers in the ordinary course of business) to any customer, supplier, employee or agent of a customer, supplier, or official or governmental agency or instrumentality of any government (domestic or foreign) or any political party or candidate for office (domestic or foreign) or other person who was, is, or may be in

a position to help or hinder the business of the Company or the Subsidiary (or assist it in connection with any actual or proposed transaction) which (i) could reasonably be expected to subject the Company or the Subsidiary to any material damage or penalty in any civil, criminal or governmental litigation or proceeding, (ii) if not given in the past, could reasonably be expected to have had a materially adverse effect on the assets, business or operations of the Company or the Subsidiary as reflected in any of the financial statements contained in the Prospectus, or (iii) if not continued in the future, could reasonably be expected to materially adversely affect the assets, business, operations or prospects of the Company or the Subsidiary. The Company's internal accounting controls and procedures are sufficient to cause the Company to comply in all material respects with the Foreign Corrupt Practices Act of 1977, as amended.

(r) TRANSFER TAXES. On the Closing Dates (as defined in Section 2(d) hereof), all transfer and other taxes (including franchise, capital stock and other taxes, other than income taxes, imposed by any jurisdiction), if any, which are required to be paid in connection with the sale and transfer of the Units to the Underwriter hereunder shall have been fully paid or provided for by the Company, and all laws imposing such taxes shall have been fully complied with.

(s) EXHIBITS. All contracts and other documents of the Company or the Subsidiary described in the Registration statement or the Prospectus or to be filed as exhibits to the Registration Statement, have been described in the Registration Statement or the Prospectus or filed with the Commission, as required under the Rules and Regulations.

(t) SUBSIDIARIES. Rockwell Medical Transportation, Inc. is the Company's only subsidiary and is wholly-owned by the Company.

(u) SHAREHOLDER AGREEMENTS, REGISTRATION RIGHTS. Except as described in the Prospectus, no security holder of the Company has any rights with respect to the purchase, sale or registration of any Securities, and all registration rights with respect to the Offering have been waived.

(v) NO STABILIZATION OR MANIPULATION. Neither the Company nor, to the Company's knowledge, any of its officers or directors or any of its employees or stockholders, have taken and will not take, directly or indirectly, any action designed to cause or result in, or which has constituted or which might reasonably be expected to constitute, under the Exchange Act or otherwise, the stabilization or manipulation of the price of the Common Stock to facilitate the sale or resale of the Securities.

(w) NO FINDERS. Except as described in the Prospectus, to the knowledge of the Company or the Subsidiary, there are no claims, payments, issuances, arrangements or understandings for services in the nature of a finder's or origination fee with respect to the sale of the Securities hereunder or any other arrangements, agreements, understandings, commitments, payments or issuances of securities with respect to the Company that may affect the Underwriter's compensation, as determined by the National Association of

Securities Dealers, Inc. ("NASD").

(x) LOCK-UP AGREEMENTS. The Company has obtained from each director, officer and existing stockholder of the Company (the "Existing Shareholders"), a Lock-Up Agreement (as defined in Section 3(r) hereof) in the form previously delivered.

(y) LICENSING AND ACCREDITATION. The Company has at all times since the commencement of its business been in compliance with all federal, state and local laws, rules and regulations applicable to the nature of its business and operations. The Company has all necessary licenses to operate its business.

(aa) NO ADVERSE EFFECT OF TRANSACTION CONTEMPLATED HEREBY. Neither the completion of the Offering nor any of the transactions contemplated herein or in the Prospectus, including but not limited to the issuance of any of the Securities, will result in a "change of control" or the loss of, or have any adverse effect on, the maintenance in good standing of the Company's licenses.

2. PURCHASE, DELIVERY AND SALE OF UNITS

(a) PURCHASE PRICE FOR UNITS. The Units shall be sold to and purchased by the Underwriter at the purchase price of $3.78 per Unit (that being the public offering price of $4.20 per Unit less an underwriting discount of 10 percent) (the "Purchase Price").

(b) FIRM UNITS.

(i) Subject to the terms and conditions of this Agreement, and on the basis of the representations, warranties and agreements herein contained the Company agrees to issue and sell to the Underwriter, and the Underwriter, agrees to buy from the Company at the Purchase Price (the "Firm Units").

(ii) Delivery of the Firm Units against payment therefor shall take place at the offices of Maidstone Financial, Inc., 101 East 52nd Street, New York, New York 10022 (or at such other place as may be designated by agreement between you and the Company) at 10:00 a.m., New York Time, on _____, 1997, or at such later time and date, not later than eight business days after the Effective Date, as you may designate (such time and date of payment and delivery for the Firm Units being herein called the "First Closing Date"). Time shall be of the essence and delivery of the Firm Units at the time and place specified in this Section 2(b)(ii) is a further condition to the obligations of the Underwriter hereunder.

(c) OPTION UNITS.

(i) In addition, subject to the terms and conditions of this Agreement, and on the basis of the representations, warranties and agreements herein contained,

the Company hereby grants to Maidstone an option (the "Over-Allotment Option"), to purchase from the Company all or any part of an aggregate of an additional 225,000 Units at the Purchase Price (the "Option Units").

(ii) The Over-Allotment Option may be exercised by Maidstone, in whole or in part, within forty-five days after the Effective Date, upon written notice by Maidstone to the Company advising it of the number of Option Units as to which the Over- Allotment Option is being exercised, the names and denominations in which the certificates for the Shares and the Warrants comprising such Option Units are to be registered, and the time and date when such certificates are to be delivered. Such time and date shall be determined by you but shall not be less than two nor more than ten business days after exercise of the Over-Allotment Option, nor in any event prior to the First Closing Date (such time and date being herein called the "Option Closing Date"). Delivery of the Option Units against payment therefor shall take place at Maidstone's offices. Time shall be of the essence and delivery at the time and place specified in this Section 2(c)(ii) is a further condition to the obligations of the Underwriter hereunder.

(iii) The Over-Allotment may be exercised only to cover over-allotments in the sale by the Underwriter of Firm Units.

(d) DELIVERY OF CERTIFICATES; PAYMENT.

(i) The Company shall make the certificates for the Shares and the Warrants comprising the Units to be purchased hereunder available to you for checking at least two full business days prior to the First Closing Date or the Option Closing Date (each, a "Closing Date"), as the case may be. The certificates shall be in such names and denominations as you may request at least two business days prior to the relevant Closing Date. Time shall be of the essence and the availability of the certificates at the time and place specified in this Section 2(d)(i) is a further condition to the obligations of the Underwriter hereunder.

(ii) On the First Closing Date the Company shall deliver to you for the account of the Underwriter definitive engraved certificates in negotiable form representing all of the Shares and the Warrants comprising the Firm Units to be sold by the Company, against payment of the Purchase Price therefor by you for the several account of the Underwriter, by certified or bank cashier's checks payable in New York Clearing House funds to the order of the Company.

(iii) In addition, if and to the extent that Maidstone exercises the Over-Allotment Option, then on the Option Closing Date the Company shall deliver to you for the account of Maidstone or its designees definitive engraved certificates in negotiable form representing the Shares and the Warrants comprising the Option Units to be sold by the Company, against payment of the Purchase Price therefor by Maidstone for the account of Maidstone or its designees, by certified or bank cashier's checks payable in next day funds to the order of the Company.

(iv) It is understood that the Underwriter proposes to offer the Units to be purchased hereunder to the public, upon the terms and conditions set forth in the Registration Statement, after the Registration Statement becomes effective.

3. COVENANTS OF THE COMPANY. The Company covenants and agrees with the Underwriter that:

(a) REGISTRATION.

(i) The Company shall use its best efforts to cause the Registration Statement to become effective and, upon notification from the Commission that the Registration Statement has become effective, shall so advise you and shall not at any time, whether before or after the Effective Date, file any amendment to the Registration Statement or any amendment or supplement to the Prospectus of which you shall not previously have been advised and furnished with a copy, or to which you or Underwriter's Counsel shall have objected in writing, or which is not in compliance with the Act and the Rules and Regulations.

(ii) Promptly after you or the Company shall have been advised thereof, you shall advise the Company or the Company shall advise you, as the case may be, and confirm such advice in writing, of (A) the receipt of any comments of the Commission, (B) the effectiveness of any post-effective amendment to the Registration Statement, (C) the filing of any supplement to the Prospectus or any amended Prospectus, (D) any request made by the Commission for amendment of the Registration Statement or amendment or supplementing of the Prospectus, or for additional information with respect thereto, or (E) the issuance by the Commission or any state or regulatory body of any stop order or other order denying or suspending the effectiveness of the Registration Statement, or preventing or suspending the use of any Preliminary Prospectus, or suspending the qualification of the Securities for offering in any jurisdiction, or otherwise preventing or impairing the Offering, or the institution or threat of any proceeding for any of such purposes. The Company and you shall not acquiesce in such order or proceeding, and shall instead actively defend such order or proceeding, unless the Company and you agree in writing to such acquiescence.

(iii) The Company has caused to be delivered to you copies of each Preliminary Prospectus, and the Company has consented and hereby consents to the use of such copies for the purposes permitted by the Act. The Company authorizes the Underwriter and selected dealers to use the Prospectus in connection with the sale of the Units for such period as in the opinion of Underwriter's Counsel the use thereof is required to comply with the applicable provisions of the Act and the Rules and Regulations. In case of the happening, at any time within such period as a prospectus is required under the Act to be delivered in connection with sales by an underwriter or dealer, of any event of which the Company has knowledge and which materially affects the Company or the Securities, or which in the opinion of Company Counsel or of Underwriter's Counsel should be set forth in an amendment to the Registration Statement or an amendment or supplement to the Prospectus in order to make the statement made therein not then misleading, in light of the circumstances existing at the time the

Prospectus is required to be delivered to a purchaser of the Units, or in case it shall be necessary to amend or supplement the Prospectus to comply with the Act or the Rules and Regulations, the Company shall notify you promptly and forthwith prepare and furnish to the Underwriter copies of such amended Prospectus or of such supplement to be attached to the Prospectus, in such quantities as you may reasonably request, in order that the Prospectus, as so amended or supplemented, shall not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements in the Prospectus, in the light of the circumstances under which they are made, not misleading. The preparation and furnishing of each such amendment to the Registration Statement, amended Prospectus or supplement to be attached to the Prospectus shall be without expense to the Underwriter, except that in the case that the Underwriter is required, in connection with the sale of the Units, to deliver a prospectus nine months or more after the Effective Date, the Company shall upon your request and at the expense of the Underwriter, amend the Registration Statement and amend or supplement the Prospectus, or file a new registration statement, if necessary, and furnish the Underwriter with reasonable quantities of prospectuses complying with section 10(a)(3) of the Act.

(iv) The Company will deliver to you at or before the First Closing Date two signed copies of the Registration Statement including all financial statements and exhibits filed therewith, and of all amendments thereto. The Company will deliver to or upon your order, from time to time until the Effective Date as many copies of any Preliminary Prospectus filed with the Commission prior to the Effective Date as the Underwriter may reasonably request. The Company will deliver to you on the Effective Date and thereafter for so long as a Prospectus is required to be delivered under the Act, from time to time, as many copies of the Prospectus, in final form, or as thereafter amended or supplemented, as the Underwriter may from time to time reasonably request.

(v) The Company shall comply with the Act, the Rules and Regulations, and the Securities Exchange Act of 1934 (the "Exchange Act"), and the rules and regulations promulgated thereunder in connection with the offering and issuance of the Securities in all material respects.

(b) BLUE SKY. The Company shall, at its own expense, use its best efforts to qualify or register the Securities for sale (or obtain an exemption from registration) under the securities or "blue sky" laws of such jurisdictions as you may designate, and shall make such applications and furnish such information to Underwriter's Counsel as may be required for that purpose, and shall comply with such laws; provided, however, that the Company shall not be required to qualify as a foreign corporation or a dealer in securities or to execute a general consent to service of process in any jurisdiction in any action other than one arising out of the offering or sale of the Units. The Company shall bear all of the expense of such qualifications and registrations, including without limitation the legal fees and disbursements of Underwriter's Counsel, which fees, exclusive of disbursements, shall not exceed $35,000 (unless otherwise agreed). After each Closing Date the Company shall, at its own expense, from time to time prepare and file such statements and reports as may be required to continue each such qualification (or maintain such exemption from registration) in effect for

so long a period as required by law, regulation or administrative policy in connection with the offering of the Securities.

(c) EXCHANGE ACT REGISTRATION. The Company shall at its own expense, prepare and file with the Commission a registration statement (on Form 8-A or Form 10) under section 12 of the Exchange Act, and shall use its best efforts to cause such registration statement to be declared effective by the Commission on an accelerated basis on the Effective Date and maintained in effect for at least five years from the Effective Date.

(d) PROSPECTUS COPIES. The Company shall deliver to you on or before the First Closing Date a copy of the Registration Statement including all financial statements, schedules and exhibits filed therewith, and of all amendments thereto. The Company shall deliver to or on the order of the Underwriter, from time to time until the Effective Date, as many copies of any Preliminary Prospectus filed with the Commission prior to the Effective Date as the Underwriter may reasonably request. The Company shall deliver to the Underwriter on the Effective Date, and thereafter for so long as a prospectus is required to be delivered under the Act, from time to time, as many copies of the Prospectus, in final form, or as thereafter amended or supplemented, as the Underwriter may from time to time reasonably request.

(e) AMENDMENTS AND SUPPLEMENTS. The Company shall, promptly upon your request, prepare and file with the Commission any amendments to the Registration Statement, and any amendments or supplements to the Preliminary Prospectus or the Prospectus, and take any other action which in the reasonable opinion of Underwriter's Counsel and Company Counsel may be reasonably necessary or advisable in connection with the distribution of the Units, and shall use its best efforts to cause the same to become effective as promptly as possible.

(f) CERTAIN MARKET PRACTICES. The Company has not taken, and shall not take, directly or indirectly, any action designed, or which might reasonably be expected, to cause or result in, or which has constituted, the stabilization or manipulation of the price of the Securities to facilitate the sale or resale thereof.

(g) CERTAIN REPRESENTATIONS. Neither the Company nor any representative of the Company has made or shall make any written or oral representation in connection with the Offering and sale of the Securities or the Underwriter's Unit Purchase Option which is not contained in the Prospectus, which is otherwise inconsistent with or in contravention of anything contained in the Prospectus, or which shall constitute a violation of the Act, the Rules and Regulations, the Exchange Act or the rules and regulations promulgated under the Exchange Act.

(h) CONTINUING REGISTRATION OF WARRANTS AND UNDERLYING COMMON STOCK. For so long as any Warrant is outstanding, the Company shall, at its own expense: (i) use its reasonable best efforts to cause post-effective amendments to the Registration Statement,

or new registration statements relating to the Warrants and the Common Stock underlying the Warrants to become effective in compliance with the Act and without any lapse of time between the effectiveness of the Registration Statement and of any such post-effective amendment or new registration statement; provided, however, that the Company shall have no obligation to maintain the effectiveness of such Registration Statement or file a new Registration Statement, or to keep available a prospectus at any time at which such registration or prospectus is not then required; (ii) cause a copy of each Prospectus, as then amended, to be delivered to each holder of record of a Warrant; (iii) furnish to the Underwriter and dealers as many copies of each such Prospectus as the Underwriter or dealers may reasonably request; and (iv) maintain the "blue sky" qualification or registration of the Warrants and the Common Stock underlying the Warrants, or have a currently available exemption therefrom, in each jurisdiction in which the Securities were so qualified or registered for purposes of the Offering.

(i) USE OF PROCEEDS. The Company shall apply the net proceeds from the sale of the Units substantially for the purposes set forth in the Prospectus under the caption "USE OF PROCEEDS," and shall file such reports with the Commission with respect to the sale of the Units and the application of the proceeds therefrom as may be required pursuant to Rule 463 of the Rules and Regulations.

(j) TWELVE MONTHS' EARNINGS STATEMENT. The Company shall make generally available to its security holders and deliver to you as soon as it is practicable so to do, but in no event later than ninety days after the end of twelve months after the close of its current fiscal quarter, an earnings statement (which need not be audited) covering a period of at least twelve consecutive months beginning after the Effective Date, which shall satisfy the requirements of section 11(a) of the Act.

(k) NASDAQ EXCHANGE LISTINGS, ETC. The Company shall immediately make all filings required to seek approval for the quotation of the Securities on the NASDAQ SmallCap Market ("NASDAQ") and shall use its best efforts to effect and maintain such approval for at least five years from the Effective Date. Within 10 days after the Effective Date, the Company shall also use its best efforts to list itself, on an expedited basis, in Moody's OTC Industrial Manual, Standard and Poor's Corporation Descriptions or other recognized securities manuals acceptable to the Underwriter and to cause such listing to be maintained for five years from the Effective Date.

(l) BOARD OF DIRECTORS. For a period of three (3) years after the Fist Closing Date, the Company shall nominate and use its best efforts to engage a designee of Maidstone as a nonvoting advisor to the Company's Board of Directors (the "Advisor") or, in lieu thereof, to designate an individual for election as a director, in which case the Company shall use its best efforts to have such individual elected as a director. The designee may be a director, officer, partner, employee or affiliate of an Underwriter, and Maidstone shall designate such person in writing to the Board. In the event Maidstone shall not have designated such individual at the time of any meeting of the Board or such person is unavailable to serve, the Company shall notify Maidstone of each meeting of the Board. An individual, if any, designated

by Maidstone shall receive all notices and other correspondence and communications sent by the Company to members of the Board. Such Advisor shall be entitled to receive reimbursement for all reasonable costs incurred in attending such meetings including, but not limited to, food, lodging, and transportation. In addition, such Advisor shall be entitled to the same compensation as the Company gives to other non-employee directors for acting in such capacity. The Company further agrees that, during said three (3) year period, it shall schedule no less than four (4) formal and "in person" meetings of its Board of Directors in each such year at which meetings such Advisor shall be permitted to attend as set forth herein; said meetings shall be held quarterly each year and thirty (30) days advance notice of such meetings shall be given to the Advisor. Further, during such three (3) year period, the Company shall give notice to Maidstone with respect to any proposed acquisitions, mergers, reorganizations or other similar transactions.

The Company agrees to indemnify and hold harmless the Underwriter and the Advisor against any and all claims, actions, damages, costs and expenses, and judgments arising solely out of the attendance and participation of the Advisor at any such meeting described herein. In the event the Company maintains a liability insurance policy affording coverage for the acts of its officers and directors, it agrees, if possible, to include the Advisor as an insured under such policy.

(m) PERIODIC REPORTS. For so long as the Company is a reporting company under section 12(g) or section 15(d) of the Exchange Act, the Company shall, at its own expense, hold an annual meeting of stockholders for the election of directors within 180 days after the end of each of the Company's fiscal years and, within 150 days after the end of each of the Company's fiscal years, and furnish to its stockholders an annual report (including financial statements audited by certified public accountants) in reasonable detail. In addition, during the period ending five years from the date hereof, the Company shall, at its own expense, furnish to you: (i) within 90 days of the end of each fiscal year, a balance sheet of the Company and the Subsidiary as at the end of such fiscal year, together with statements of income, stockholders' equity and cash flows of the Company and the Subsidiary as at the end of such fiscal year, all in reasonable detail and accompanied by a copy of the certificate or report thereon of certified public accountants; (ii) as soon as they are available, a copy of all reports (financial or otherwise) distributed to security holders; (iii) as soon as they are available, a copy of all non-confidential reports and financial statements furnished to or filed with the Commission; and (iv) such other information as you may from time to time reasonably request. The financial statements referred to herein shall be on a consolidated basis to the extent the accounts of the Company and the Subsidiary are consolidated in reports furnished to its stockholders generally.

(n) FORM S-8 REGISTRATIONS. For a period of two years following the First Closing Date, the Company shall not, without Maidstone's prior written consent, register or otherwise facilitate the registration of any of its securities issuable upon the exercise of options, warrants (other than up to 450,000 options issued pursuant to the Company's Stock Option Plan, the Warrants and the Underwriter's Unit Purchase Options) or other rights, whether

by means of a Registration Statement on Form S-8 or otherwise.

(o) FUTURE SALES. For a period of two years following the First Closing Date, the Company shall not, without Maidstone's prior written consent, sell or otherwise dispose of any securities of the Company, including but not limited to the issuance of any Common Stock, and the granting of any options or warrants. Notwithstanding the foregoing, the Company may at any time issue shares of Common Stock pursuant to the exercise of the Warrants, the Underwriter's Unit Purchase Option, the Warrants underlying the Underwriter's Unit Purchase Option, and options, warrants or conversion rights issued and outstanding on the Effective Date and described in the Prospectus.

(p) REGULATION S SALES. For a period of two years following the First Closing Date, the Company shall not issue or sell any securities pursuant to Regulation S of the Rules and Regulations under the Act, without Maidstone's prior written consent.

(q) AGREEMENTS WITH STOCKHOLDERS, DIRECTORS AND OFFICERS. The Company shall cause each of the Company's existing stockholders, directors and officers to enter into written agreements with Maidstone (the "Lock-up Agreements") prior to the Effective Date, that, for a period of thirteen months from the Effective Date, they will not, without the consent of Maidstone, (i) publicly sell any securities of the Company owned directly or indirectly by them or owned beneficially by them (as defined in the Exchange Act), or (ii) otherwise sell, or transfer such securities unless the transferee agrees in writing to be bound by an identical lock-up.

(r) WARRANT SOLICITATION. Upon the exercise of any Warrants on or after the first anniversary of the Effective Date, the Company shall pay to Maidstone a commission of five (5%) percent of the aggregate exercise price of such Warrants, a portion of which may be reallowed by Maidstone to the dealer who solicited the exercise (which may also be you), if: (i) the market price of the Common Stock is greater than the exercise price of the Warrant on the date of exercise; (ii) the exercise of the Warrant was solicited by a member of the NASD; (iii) the Warrant is not held in a discretionary account; (iv) the disclosure of the compensation arrangements has been made in documents provided to customers, both as part of the Offering and at the time of exercise; and (v) the solicitation of the Warrant was not in violation of Regulation M promulgated under the Exchange Act. No commission shall be paid to you on any Warrant exercise prior to the first anniversary of the Effective Date, or on any Warrant exercised at any time without solicitation by Maidstone or a soliciting dealer.

(s) AVAILABLE SHARES. The Company shall reserve and at all times keep available that maximum number of it authorized but unissued shares of Common Stock which are issuable upon exercise of options pursuant to the Company's Stock Option Plan, the Warrants, the Underwriter's Unit Purchase Options, and the Warrants issuable upon exercise of the Underwriter's Unit Purchase Options, in each case taking into account the anti-dilution provisions thereof.

(t) FINANCIAL CONSULTING AGREEMENT. On the First Closing Date and simultaneously with the delivery of the Firm Units, the Company shall execute and deliver to Maidstone an agreement with Maidstone, or its representative, in the form previously delivered to the Company by Maidstone, regarding the services of Maidstone or its representative a financial consultant to the Company (the "Financial Consulting Agreement"), for a twenty-four month period commencing as of the date hereof at a fee equal to $4,166 per month which shall be paid in its entirety on the First Closing Date.

(u) MANAGEMENT. On each Closing Date, the President of the Company shall be Robert Chioini. Prior to the Effective Date, the Company shall have obtained "key-employee" life insurance coverage in the amount of $1,000,000 on Mr. Chioni. Prior to the Effective Date, the Company shall have entered into an employment agreement with Mr. Chioini as set forth in the Registration Statement.

(v) STOCK TRANSFER SHEETS. The Company shall instruct its Transfer Agent (as defined in Section 4(h) hereto) to deliver to you copies of all advice sheets showing the daily transfer of the outstanding shares of Common Stock and Warrants sold by the Company in the public offering and shall, at its own expense, furnish you weekly for the first six weeks following the First Closing Date and monthly thereafter during the period ending three years following the First Closing Date with Depository Trust Company stock transfer sheets.

(w) PUBLIC RELATIONS. Prior to the Effective Date the Company shall have retained a public relations firm reasonably acceptable to you, and shall continue to retain such firm, or an alternate firm reasonably acceptable to Maidstone, for a period of twelve (12) months.

(x) ADDITIONAL REPRESENTATIONS. The Company shall engage the Underwriter's Counsel to provide the Underwriter, at the First Closing Date and quarterly thereafter, until such time as the Common Stock is listed on the New York Stock Exchange or the American Stock Exchange or quoted on NASDAQ National Market System, with an opinion, setting forth those states in which the Common Stock may be traded in non-issuer transactions under the blue sky laws of the fifty states. The Company shall pay the Underwriter's Counsel a one-time fee of $12,500 at the First Closing Date for such opinions.

(aa) BOUND VOLUMES. Within a reasonable time after the First Closing Date, the Company shall deliver to you, at the Company's expense, five bound volumes in form and content acceptable to Maidstone, containing the Registration Statement and all exhibits filed therewith and all amendments thereto, and all other agreements, correspondence, filings, certificates and other documents filed and/or delivered in connection with the Offering.

4. CONDITIONS TO UNDERWRITER'S OBLIGATIONS. The obligations of the Underwriter to purchase and pay for the Units which you have agreed to purchase hereunder are subject to the accuracy (as of the date hereof and as of each Closing Date) of and compliance with the representations and warranties of the Company contained

herein, the performance by the Company of all of their respective obligations hereunder and the following further conditions:

(a) EFFECTIVE REGISTRATION STATEMENT; NO STOP ORDER. The Registration Statement shall have become effective and you shall have received notice thereof not later than 6:00 p.m., New York time, on the date of this Agreement, or at such later time or on such later date as to which you may agree in writing. In addition, on each Closing Date (i) no stop order denying or suspending the effectiveness of the Registration Statement shall be in effect, and no proceedings for that or any similar purpose shall have been instituted or shall be pending or, to your knowledge or to the knowledge of the Company, shall be contemplated by the Commission, and (ii) all requests on the part of the Commission for additional information shall have been complied with to the reasonable satisfaction of Underwriter's Counsel.

(b) OPINION OF COMPANY COUNSEL. On the First Closing Date, you shall have received the opinion, dated as of the First Closing Date, of Company Counsel, in form and substance satisfactory to the Underwriter's Counsel, to the effect that:

(i) the Company and the Subsidiary have been duly incorporated and validly exist as corporations in good standing under the laws of their respective jurisdictions of incorporation, with full corporate power and authority to own their properties and conduct their business as described in the Prospectus, and are duly qualified or licensed to do business as foreign corporations and are in good standing in each other jurisdiction in which the nature of their business or the character or location of their properties requires such qualification, except where failure to so qualify will not have a material adverse affect on the business, properties or financial condition of the Company or the Subsidiary, as the case may be;

(ii) (A) the authorized capitalization of the Company as of the date of the Prospectus was as is set forth in the Prospectus under the caption "CAPITALIZATION;" (B) all of the shares of Common Stock now outstanding have been duly authorized and validly issued, are fully paid and non-assessable, conform in all material respects to the description thereof contained in the Prospectus, have not been issued in violation of the preemptive rights of any stockholder and, except as described in the Prospectus, are not subject to any restrictions upon the voting or transfer thereof; (C) all of the Shares and all of the Warrants comprising the Units have been duly authorized and, when issued and delivered to the Underwriter against payment therefor as provided herein, shall be validly issued, fully paid and non-assessable, shall not have been issued in violation of the preemptive rights of any stockholder, and no personal liability shall attach to the ownership thereof; (D) the stockholders of the Company do not have any preemptive rights or other rights to subscribe for or purchase, and except for the transfer restrictions imposed by Rule 144 of the Rules and Regulations promulgated under the Act or contained in the Lock-up Agreements

executed with the Underwriter, there are no restrictions upon the voting or transfer of, any of the Securities; (E) the Shares and the Warrants comprising the Units, the Warrant Agreement and the Underwriter's Unit Purchase Option conform in all material respects to the respective descriptions thereof contained in the Prospectus; (F) all issuances of the Company's securities have been made in compliance with, or under an exemption from, the Act and applicable state securities laws; (G) a sufficient number of shares of Common Stock has been reserved, for all times when any of the Warrants (including the Warrants issuable upon exercise of the Underwriter's Unit Purchase Option) are outstanding, for issuance upon exercise of all of the Warrants; and (H) to the knowledge of such counsel, neither the filing of the Registration Statement nor the offering or sale of the Units as contemplated by this Agreement gives rise to any registration rights or other rights, other than those which have been effectively waived or satisfied or described in the Prospectus, for or relating to the registration of any securities of the Company;

(iii) the certificates evidencing the Shares and the Warrants comprising the Units are each in valid and proper legal form; and the Warrants are exercisable for shares of Common Stock in accordance with the terms of the Warrants and at the prices therein provided for;

(iv) this Agreement, the Warrant Agreement, the Underwriter's Unit Purchase Option, and the Financial Consulting Agreement have been duly and validly authorized, executed and delivered by the Company and (assuming due execution and delivery thereof by the Underwriter and/or Continental Stock Transfer & Trust Company, as the case may be) all of such agreements are, or when duly executed shall be, the valid and legally binding obligations of the Company, enforceable in accordance with their respective terms (except as enforceability may be limited by bankruptcy, insolvency or other laws affecting the rights of creditors generally); provided, however, that no opinion need to be expressed as to the enforceability of the indemnity provisions contained in Section 6 or the contribution provisions contained in Section 7;

(v) to the knowledge of such counsel, other than as described in the Prospectus (A) there is no pending, threatened or contemplated legal or governmental proceeding affecting the Company or the Subsidiary which could materially and adversely affect the business, property, operations, condition (financial or otherwise) or earnings of the Company or the Subsidiary, or which questions the validity of the Offering, the Securities, this Agreement, the Warrant Agreement, the Underwriter's Unit Purchase Option, or the Financial Consulting Agreement or of any action taken or to be taken by the Company pursuant thereto; and (B) there is no legal or governmental regulatory proceeding required to be described or referred to in the Registration Statement which is not so described or referred to;

(vi) to the knowledge of such counsel, (A) the Company is not in violation of or default under this Agreement, the Warrant Agreement, the Underwriter's Unit Purchase Option, or the Financial Consulting Agreement; and (B) to the knowledge of such counsel, the execution and delivery hereof and thereof and consummation of the transactions herein or therein contemplated shall not result in a material violation of, or constitute a default under, the Certificate of Incorporation or By-laws of the Company or the certificate of incorporation or by-laws of the Subsidiary, or any material obligation, agreement, covenant of condition contained in any bond, debenture, note or other evidence of indebtedness, or in any material contract, indenture, mortgage, loan agreement, lease, joint venture or other agreement or instrument to which the Company or the Subsidiary is a party or by which the assets of the Company or the Subsidiary are bound, or any material order, rule, regulation, writ, injunction or decree of any government, governmental instrumentality or court applicable to the Company or the Subsidiary;

(vii) to the knowledge of such counsel, (a) the Company and the Subsidiary have obtained, or are in the process of obtaining, all licenses, permits and other governmental authorizations necessary to the conduct of its business as described in the Prospectus, (b) such obtained licenses, permits and other governmental authorizations are in full force and effect, and (c) the Company and the Subsidiary are in all material respects complying therewith;

(viii) the Registration Statement has become effective under the Act, and to the knowledge of such counsel, no stop order denying or suspending the effectiveness of the Registration Statement is in effect, and no proceedings for that or any similar purpose have been instituted or are pending before or threatened by the Commission;

(ix) the Registration Statement and the Prospectus (except for the financial statements, notes thereto and other financial information and statistical data contained therein, as to which counsel need not express an opinion) comply as to form in all material respects with the Act and the Rules and Regulations;

(x) all descriptions contained in the Registration Statement and the Prospectus, and any amendments or supplements thereto, of contracts and other documents are accurate and fairly present the information required to be described, and such counsel is familiar with all contracts and other documents referred to in the Registration Statement and the Prospectus, and any such amendment or supplement, or filed as exhibits to the Registration Statement and, to the knowledge of such counsel, no contract, document, license or permit of a character required to be summarized or described therein or to be filed as an exhibit thereto is not so summarized, described or filed.

(xi) the statements in the Registration Statement and the Prospectus under the captions "Risk Factors," "Use of Proceeds," "Business," "Management," and "Description of Securities," which purport to summarize the provisions of agreements, licenses, statutes or rules and regulations, have been reviewed by such counsel and are accurate summaries in all material respects;

(xii) except for registration under the Act and registration or qualification of the Securities under applicable state or foreign securities or blue sky laws, no authorization, approval, consent or license of any governmental or regulatory authority or agency is necessary in connection with: (A) the authorization, issuance, sale, transfer or delivery of the Securities by the Company in accordance with this Agreement; (B) the execution, delivery and performance of this Agreement by the Company or the taking of any action contemplated herein; (C) the issuance of the Underwriter's Unit Purchase Option in accordance with this Agreement or the Securities issuable upon exercise thereof; or the taking of any action contemplated herein.

Such opinion shall also state that Company Counsel's examination of the Registration Statement and its discussions with the Company and its independent auditors did not disclose any information which gives Company Counsel reason to believe that the Registration Statement (other than the financial statements and other financial and statistical information as to which counsel need not express an opinion) at the time it became effective contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading, or that the Prospectus (other than the schedules, financial statements and other financial and statistical information as to which no view is expressed) at the time it became effective contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading, or that the Prospectus (other than the financial statements and other financial and statistical information as to which counsel need not express an opinion) contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. In addition, such opinion shall also cover such matters incident to the transactions contemplated hereby as you or Underwriter's Counsel shall reasonably request. In rendering such opinion, Company Counsel may rely as to matters of fact upon certificates of officers of the Company, and of public officials, and may rely as to all matters of law other than the law of the United States or the State of New York and the General Corporation Law of the State of Michigan upon opinions of counsel satisfactory to you, in which case the opinion shall state that they have no reason to believe that you and they are not entitled so to rely.

(c) CORPORATE PROCEEDINGS. All corporate proceedings and other legal matters relating to this Agreement, the Registration Statement, the Prospectus and other related matters shall be reasonably satisfactory to or approved by Underwriter's Counsel.

(d) COMFORT LETTER. Prior to the Effective Date, and again on and as of the First Closing Date, you shall have received a letter from Coopers & Lybrand, certified public accountants for the Company, satisfactory in form and substance to the Underwriter's Counsel.

(e) BRING DOWN. At each of the Closing Dates, (i) the representations and warranties of the Company contained in this Agreement shall be true and correct with the same effect as if made on and as of such Closing Date, and the Company shall have performed all of its obligations hereunder and satisfied all the conditions to be satisfied at or prior to such Closing Date; (ii) the Registration Statement and the Prospectus shall contain all statements which are required to be stated therein in accordance with the Act and the Rules and Regulations, and shall in all material respects conform to the requirements of the Act and the Rules and Regulations, and neither the Registration Statement nor the Prospectus shall contain any untrue statement of a material fact or omit to state any material fact required to be stated or which they were made, not misleading; (iii) there shall have been, since the respective dates as of which information is given, no material adverse change in the business, property, operations, condition (financial or otherwise), earnings, capital stock, long-term or short- term debt or general affairs of the Company from that set forth in the Registration Statement and the Prospectus, except changes which the Registration Statement and Prospectus indicate might occur after the Effective Date, and the Company shall not have incurred any material liabilities nor entered into any material agreement other than as referred to in the Registration Statement and Prospectus; and (iv) except as set forth in the Prospectus, no action, suit or proceeding shall be pending or threatened against the Company before or by any commission, board or administrative agency in the United States or elsewhere, wherein an unfavorable decision, ruling or finding would materially adversely affect the business, property, operations, condition (financial or otherwise), earnings or general affairs of the Company. In addition, you shall have received, at the First Closing Date, a certificate signed by the principal executive officer and by the principal financial officer of the Company, dated as of the First Closing Date, evidencing compliance with the provisions of this Section 4(g).

(f) TRANSFER AND WARRANT AGENT. On or before the Effective Date, the Company shall have appointed Continental Stock Transfer & Trust Company (or other agent mutually acceptable to the Company and Maidstone), as its transfer agent and warrant agent ("Transfer Agent") to transfer all of the Shares and Warrants issued in the Offering, as well as to transfer other shares of the Common Stock outstanding from time to time.

(g) NASD APPROVAL OF UNDERWRITER'S COMPENSATION. By the Effective Date, the Underwriter shall have received clearance from the NASD as to the amount of compensation allowable or payable to the Underwriter, as described in the Registration Statement.

(h) CERTAIN FURTHER MATTERS. On each Closing Date, Underwriter's Counsel shall have been furnished with all such other documents and certificates as they may

reasonably request for the purpose of enabling them to render their legal opinion to the Underwriter and in order to evidence the accuracy and completeness of any of the representations, warranties or statements, the performance of any of the covenants, or the fulfillment of any of the conditions, herein contained.

(i) All proceedings taken in connection with the authorization, issuance or sale of the Securities, as herein contemplated shall be reasonably satisfactory in form and substance to the Underwriter and to Underwriter's Counsel;

(ii) On each Closing Date there shall have been duly tendered to you for your account the appropriate number of Securities;

(iii) No order suspending the sale of the Securities in any jurisdiction designated by you pursuant to Section 3(b) hereof shall have been issued on either Closing Date, and no proceedings for that purpose shall have been instituted or, to the knowledge of the Underwriter or the Company, shall be contemplated;

(iv) Prior to each Closing Date there shall not have been received or provided by the Company's independent public accountants or attorneys, qualifications to the effect of either difficulties in furnishing certifications as to material items including, without limitation, information contained within the footnotes to the financial statements, or as affecting matters incident to the issuance and sale of the Securities or as to corporate proceedings or other matters;

(v) On or prior to the First Closing Date, the Underwriter's Unit Purchase Option, the Warrant Agreement and the Financial Consulting Agreement shall have been executed and delivered by the Company, and the Lock-Up Agreements shall have been executed and delivered by all of the Company's officers, directors and existing stockholders, to the Underwriter.

(i) ADDITIONAL CONDITIONS. Upon exercise of the Over-Allotment Option, Maidstone's obligations to purchase and pay for the Option Units shall be subject (as of the date hereof and as of the Option Closing Date) to the following conditions:

(i) The Registration Statement shall remain effective at the Option Closing Date, no stop order denying or suspending the effectiveness thereof shall have been issued, and no proceedings for that or any similar purpose shall have been instituted or shall be pending or, to your knowledge or the knowledge of the Company, shall be contemplated by the Commission, and all reasonable requests on the part of the Commission for additional information shall have been complied with to the satisfaction of Underwriter's Counsel.

(ii) On the Option Closing Date there shall have been delivered to you the signed opinion of Company Counsel, dated as of the Option Closing Date, in form and substance satisfactory to Underwriter's Counsel, which opinion shall be substantially the

same in scope and substance as the opinion furnished to you on the First Closing Date pursuant to Section 4(b), except that such opinion, where appropriate, shall cover the Option Units rather than the Firm Units. If the First Closing Date is the same as the Option Closing Date, such opinions may be combined.

(iii) All proceedings taken at or prior to the Option Closing Date in connection with the sale and issuance of the Option Units shall be satisfactory in form and substance to you, and you and Underwriter's Counsel shall have been furnished with all such documents, certificates and opinions as you may reasonably request in connection with this transaction in order to evidence the accuracy and completeness of any of the representations, warranties or statements of the Company or its compliance with any of the covenants or conditions contained herein.

(iv) On the Option Closing Date there shall have been delivered you a letter in form and substance satisfactory to Maidstone from Coopers & Lybrand, dated the Option Closing Date addressed to you, confirming the information in their letter referred to in Section 4(f) as of the date thereof and stating that, without any additional investigation required, nothing has come to their attention during the period from the ending date of their review referred to in such letter to a date not more than five banking days prior to the Option Closing Date which would require any change in such letter if it were required to be dated the Option Closing Date.

Any certificate signed by any officer of the Company and delivered to the Underwriter or to Underwriter's Counsel shall be deemed a representation and warranty by the Company to the Underwriter as to the statements made therein. If any of the conditions herein provided for in this Section shall not have been completely fulfilled as of the date indicated, this Agreement and all obligations of the Underwriter under this Agreement may be cancelled at, or at any time prior to, each Closing Date by your notifying the Company of such cancellation in writing or by telecopy at or prior to the applicable Closing Date. Any such cancellation shall be without liability of any Underwriter to the Company, except as otherwise provided herein.

5. CONDITIONS TO THE OBLIGATIONS OF THE COMPANY. The obligations of the Company to sell and deliver the Units are subject to the following conditions:

(a) EFFECTIVE REGISTRATION STATEMENT. The Registration Statement shall have become effective not later than 6:00 p.m. New York Time, on the date of this Agreement, or at such later time or on such later date as the Company and you may agree in writing.

(b) NO STOP ORDER. On the applicable Closing Date, no stop order denying or suspending the effectiveness of the Registration Statement shall have been issued under the Act or any proceedings therefor initiated or threatened by the Commission.

(c) PAYMENT FOR UNITS. On the applicable Closing Date, you shall have made payment, for the several accounts of the Underwriter, of the aggregate Purchase Price for

the Units then being purchased by certified or bank cashier's checks payable in next day funds to the order of the Company.

If the conditions to the obligations of the Company provided by this Section 5 have been fulfilled on the First Closing Date but are not fulfilled after the First Closing Date and prior to the Option Closing Date, then only the obligation of the Company to sell and deliver the Option Units upon exercise of the Over-Allotment Option shall be affected.

6. INDEMNIFICATION.

(a) INDEMNIFICATION BY THE COMPANY. As used in this Agreement, the term "Liabilities" shall mean any and all losses, claims, damages and liabilities, and actions and proceedings in respect thereof (including without limitation all reasonable costs of defense and investigation and all attorneys' fees) including without limitation those asserted by any party to this Agreement against any other party to this Agreement. The Company hereby indemnifies and holds harmless the Underwriter and each person, if any, who controls the Underwriter within the meaning of the Act, from and against all Liabilities, joint or several, to which the Underwriter or such controlling person may become subject, under the Act or otherwise, insofar as such Liabilities arise out of or are based upon: (i) any untrue statement or alleged untrue statement of any material fact, in light of the circumstances in which it was made, contained in (A) the Registration Statement or any amendment thereto, or the Prospectus or any Preliminary Prospectus, or any amendment or supplement thereto, or (B) any "blue sky" application or other document executed by the Company specifically for that purpose, or based upon written information furnished by the Company, filed in any state or other jurisdiction in order to qualify any or all of the Securities under the securities laws thereof (any such application, document or information being herein called a "Blue Sky Application"); or (ii) the omission or alleged omission to state in the Registration Statement or any amendment thereto, or the Prospectus or any Preliminary Prospectus, or any amendment or supplement thereto, or in any Blue Sky Application, a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which it was made, not misleading; provided, however, that the Company shall not be liable in any such case to the extent, but only to the extent, that any such Liabilities arise out of or are based upon an untrue statement or alleged untrue statement or omission or alleged omission (x) made in reliance upon and in conformity with written information furnished to the Company through you by or on behalf of the Underwriter specifically for use in the preparation of the Registration Statement or any such amendment thereto, or the Prospectus or any such Preliminary Prospectus, or any such amendment or supplement thereto, or any such Blue Sky Application or (y) corrected by the final Prospectus and the failure of the Underwriter to deliver the final Prospectus. The foregoing indemnity shall be in addition to any other liability which the Company may otherwise have.

(b) INDEMNIFICATION BY UNDERWRITER. The Underwriter hereby indemnifies and holds harmless the Company, each of its directors, each nominee (if any) for director named in the Prospectus, each of its officers who have signed the Registration Statement, and each person, if any, who controls the Company within the meaning of the Act,

from and against all Liabilities to which the Company or any such director, nominee, officer or controlling person may become subject under the Act or otherwise, insofar as such Liabilities arise out of or are based upon (i) any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement or any amendment thereto, or the Prospectus or any Preliminary Prospectus, or any amendment or supplement thereto, or (ii) the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that any such Liabilities arise out of or are based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement or any amendment thereto, or the Prospectus or any Preliminary Prospectus, or any amendment or supplement thereto, in reliance upon and in conformity with written information furnished to the Company through you, by or on behalf of such Underwriter, specifically for use in the preparation thereof. In no event shall the Underwriter be liable under this Section 6(b) for any amount in excess of the compensation received by the Underwriter, in the form of underwriting discounts or otherwise, pursuant to this Agreement or any other agreement contemplated hereby. The foregoing indemnity shall be in addition to any other liability which the Underwriter may otherwise have.

(c) PROCEDURE. Promptly after receipt by an indemnified party under this Section 6 of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under this Section 6, notify in writing the indemnifying party of the commencement thereof, but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under this Section 6 unless the rights of the indemnifying party have been prejudiced by such omission or delay. In case any such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate in and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, subject to the provisions hereof, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under this Section 6 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation. The indemnified party shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall not be at the expense of the indemnifying party if the indemnifying party has assumed the defense of the action with counsel reasonably satisfactory to the indemnified party; provided, however, that the fees and expenses of such counsel shall be at the expense of the indemnifying party if (i) the employment of such counsel has been specifically authorized in writing by the indemnifying party, or (ii) the named parties to any such action (including any impleaded parties) include both such indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it which are different from or in addition to those available to the indemnifying party or that the indemnified and indemnifying party have conflicting interests which would make it inappropriate for the same

counsel to represent both of them (in which case the indemnifying party shall into have the right to assume the defense of such action on behalf of the indemnified party, it being understood, however, that the indemnifying party shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys). No settlement of any action against an indemnified party shall be made without the consent of the indemnified party, which shall not be unreasonably withheld in light of all factors of importance to such indemnified party.

7. CONTRIBUTION. In order to provide for just and equitable contribution under the Act in any case in which (a) any indemnified party makes claims for indemnification pursuant to Section 6 but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case, notwithstanding the fact that the express provisions of Section 6 provide for indemnification in such case, or (b) contribution under the Act may be required on the part of any indemnified party, then such indemnified party and each indemnifying party (if more than one) shall contribute to the aggregate Liabilities to which it may be subject, in either such case (after contribution from others) in such proportion that the Underwriter is responsible in the aggregate for the portion of such Liabilities represented by the percentage that the underwriting discount per Unit appearing on the cover page of the Prospectus bears to the public Offering price per Unit appearing thereon, and the Company shall be responsible for the remaining portion; provided, however, that if such allocation is not permitted by applicable law, then the relative fault of the Company, and the Underwriter in connection with the statements or omissions which resulted in such Liabilities and other relevant equitable considerations shall also be considered. The relative fault shall be determined by reference to, among other things, whether in the case of an untrue statement of material fact or the omission to state a material fact, such statement or omission relates to information supplied by the Company, or the Underwriter, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The Company and the Underwriter agree that it would not be just and equitable if the respective obligations of the Company, and the Underwriter to contribute pursuant to this Section 7 were to be determined by pro rata or per capita allocation of the aggregate Liabilities or by any other method of allocation that does not take account of the equitable considerations referred to in the first sentence of this Section 7. Moreover, the contribution of the Underwriter shall not be in excess of the cash compensation received by the Underwriter, in the form of underwriting discounts or otherwise, pursuant to this agreement or any other agreement contemplated hereby. No person guilty of a fraudulent misrepresentation (within the meaning of section 11(f) of the Act) shall be entitled to contribution from any person who is not guilty of such fraudulent misrepresentation. As used in this Section 7, the term "Company" shall include any officer, director or person who controls the Company within the meaning of section 15 of the Act. If the full amount of the contribution specified in this Section 7 is not permitted by law, then each indemnified party and each person who controls an indemnified party shall be entitled to contribution from each indemnifying party to the full extent permitted by law. The foregoing contribution agreement shall in no way affect the contribution

liabilities of any persons having liability under section 11 of the Act other than the Company and the Underwriter. No contribution shall be requested with regard to the settlement of any matter from any party who did not consent to the settlement; provided, however, that such consent shall not be unreasonably withheld in light of all factors of importance to such party.

8. COSTS AND EXPENSES.

(a) CERTAIN COSTS AND EXPENSES. Whether or not this Agreement becomes effective or the sale of the Units to the Underwriter is consummated, the Company shall pay all costs and expense incident to the issuance, offering, sale and delivery of the Units and the performance of its obligations under this Agreement, including without limitation: (i) all fees and expenses of the Company's legal counsel and accountants; (ii) all costs and expenses incident to the preparation, printing, filing and distribution of the Registration Statement (including the financial statements contained therein and all exhibits and amendments thereto), each Preliminary Prospectus and the Prospectus, each as amended or supplemented, this Agreement and the other underwriting documents, as well as the other agreements and documents referred to herein and the Blue Sky Memorandum; each in such quantities as you shall deem necessary; (iii) all fees of NASD required in connection with the filing required by NASD to be made by the Underwriter with respect to the Offering; (iv) all expenses, including fees (but not in excess of the amount set forth in Section 3(b)) and disbursements of Underwriter's Counsel in connection with the qualification of the Securities under the "blue sky" laws which you shall designate; (v) all costs and expenses of printing the respective certificates representing the Shares and the Warrants; (vi) the expense of placing one or more "tombstone" advertisements or promotional materials as directed by you (provided, however, that the aggregate amount thereof shall not exceed $10,000) and of offering memorabilia; (vii) all costs and expenses of the Company and its employees (but not of the Underwriter or its employees) associated with due diligence meetings and presentations (including the payment for road show conference centers); (viii) all costs and expenses associated with the preparation of a seven to ten minute professional video presentation concerning the Company, its products and its management for broker due diligence purposes; (ix) any and all taxes (including without limitation any transfer, franchise, capital stock or other tax imposed by any jurisdiction) on sales of the Units to the Underwriter hereunder; and (x) all costs and expenses incident to the furnishing of any amended Prospectus or any supplement to be attached to the Prospectus as required by Sections 3(a) and 3(d), except as otherwise provided by said Sections. In addition, the Company shall engage Underwriter's Counsel to provide the Underwriter, at the Closing and quarterly thereafter, until such time as the Common Stock is listed on the New York Stock Exchange or the American Stock Exchange or quoted on NASDAQ/NMS, with a memorandum, setting forth those states in which the Common Stock and the Warrants may be traded in non-issuer transactions under the blue sky laws of the 50 states. The Company shall pay such counsel a one-time fee of $12,500 at the Closing for such opinions.

(b) UNDERWRITER'S EXPENSE ALLOWANCE. In addition to the expenses described in Section 8(a), the Company shall on the First Closing Date pay to Maidstone the balance of a non-accountable expense allowance, which shall include fees of Underwriter's

Counsel, exclusive of the fees referred to in Section 3(b), of $189,000 (that being an amount equal to three percent (3%) of the gross proceeds received upon sale of the Firm Units), of which $63,000 has been paid to Maidstone prior to the date hereof. In the event that the Over-Allotment Option is exercised, then the Company shall, on the Option Closing Date, pay to Maidstone, based on the number of Option Units to be sold by the Company, an additional amount equal to three percent (3%) of the gross proceeds received upon sale of any of the Option Units, in the amount of $28,350 if the Over-Allotment Option is exercised in full. In the event that the transactions contemplated hereby fail to be consummated for any reason, then Maidstone shall return to the Company that portion of $63,000 heretofore paid by the Company to the extent that it has not been utilized by you in connection with the Offering for accountable out-of-pocket expenses; provided, however, that if such failure is due to a breach by the Company of any covenant, representation or warranty contained herein or because any other condition to the Underwriter's obligations hereunder required to be fulfilled by the Company is not fulfilled, then the Company shall be liable for your accountable out-of-pocket expenses to the full extent thereof (with credit given to the $63,000 paid).

(c) NO FINDERS. No person is entitled either directly or indirectly to compensation from the Company, the Underwriter or any other person for services as a finder in connection with the Offering, and the Company hereby indemnifies and holds harmless the Underwriter, and the Underwriter hereby indemnifies and holds harmless the Company from and against all Liabilities, joint or several, to which the indemnified party may become subject insofar as such Liabilities arise out of or are based upon the claim of any person (other than an employee of the party claiming indemnity) or entity that he or it is entitled to a finder's fee in connection with the Offering by reason of such person's or entity's influence or prior contact with the indemnifying party.

9. EFFECTIVE DATE. The Agreement shall become effective upon its execution, except that you may, at your option, delay its effectiveness until 10:00 a.m., New York time, on the first full business day following the Effective Date, or at such earlier time after the Effective Date as you in your discretion shall first commence the initial public offering by the Underwriter of any of the Units. The time of the initial public offering shall mean the time of release by you of the first newspaper advertisement which is subsequently published with respect to the Units, or the time when the Units are first generally offered by you to dealers by letter or telegram, whichever shall first occur. This Agreement may be terminated by you at any time before it becomes effective as provided above, except that the provisions of Sections 3(x), 6, 7, 8, 12, 13, 14 and 15 shall remain in effect notwithstanding such termination.

10. TERMINATION.

(a) GROUNDS FOR TERMINATION.

(i) This Agreement, except for Sections 3(x), 6, 7, 8, 12, 13, 14 and 15, may be terminated at any time prior to the First Closing Date, and the Over-Allotment Option, if exercised, may be canceled at any time prior to the Option Closing Date, by you if in your sole judgment it is impracticable to offer for sale or to enforce contracts made by you for the resale of the Units agreed to be purchased hereunder, by reason of: (A) the Company having sustained a material loss, whether or not insured, by reason of fire, earthquake, flood, accident or other calamity, or from any labor dispute or court or government action, order or decree; (B) trading in securities on the New York Stock Exchange or the American Stock Exchange having been suspended or limited; (C) material governmental restrictions having been imposed on trading in securities generally which are not in force and effect on the date hereof; (D) a banking moratorium having been declared by federal or New York State authorities; (E) an outbreak or significant escalation of major international hostilities or other national or international calamity having occurred; (F) the passage by the Congress of the United States or by any state legislative body of similar impact, of any act or measure, or the adoption of any orders, rules or regulations by any governmental body or any authoritative accounting institute or board, or any governmental executive, which is reasonably believed likely by you to have a material adverse impact on the business, financial condition or financial statements of the Company; (G) any material adverse change in the financial or securities markets beyond normal fluctuations in the United States having occurred since the date of this Agreement; or (H) any material adverse change having occurred, since the respective dates for which information is given in the Registration Statement and Prospectus, in the earnings, business, prospects or condition (financial or otherwise) of the Company, whether or not arising in the ordinary course of business.

(ii) Maidstone shall have the right, in its sole discretion, to terminate this Agreement, including without limitation, the obligation to purchase the Firm Units and the obligation to purchase the Option Units after the exercise of the Over- Allotment Option, by notice given to the Company prior to delivery and payment for all the Firm Units or the Option Units, as the case may be, if any of the conditions enumerated in Section 4 are not either fulfilled or waived by the Underwriter on or before any Closing Date.

(iii) Anything herein to the contrary notwithstanding, if this Agreement shall not be carried out within the time specified herein, or any extensions thereof granted by the Underwriter, by reason of any failure on the part of the Company to perform any undertaking or satisfy any condition of this Agreement by it to be performed or satisfied then, in addition to the obligations assumed by the Company pursuant to Section 8(a) hereof, the Underwriter shall provide the Company with, and the Company shall pay, a statement of the Underwriter's accountable expenses.

(b) NOTIFICATION. If you elect to prevent this Agreement from becoming effective or to terminate this Agreement as provided by this Section 10 or by Section 9, the Company shall be promptly notified by you, by telephone or telegram, confirmed by letter.

11. UNDERWRITER'S UNIT PURCHASE OPTION. On the First Closing Date, the Company shall issue and sell to you, for $10.00, and upon the terms and conditions set forth in the form of Underwriter's Unit Purchase Options filed as an exhibit to the Registration Statement, an option entitling you to purchase 150,000 Units at an exercise price equal to 120% of the initial public offering price per unit exercisable for a period of four years commencing one year from the Effective Date (the "Underwriter's Unit Purchase Option"). The Underwriter's Unit Purchase Option grant to the holders thereof certain "piggyback" registration rights for a period of seven years, and demand registration rights for a period of four years, commencing one year from the Effective Date with respect to the registration under the Securities Act of the Securities issuable upon exercise thereof. In the event of conflict in the terms of this Agreement and the Underwriter's Unit Purchase Option, the terms and conditions of the Underwriter's Unit Purchase Option shall control.

12. REPRESENTATIONS, WARRANTIES AND AGREEMENTS TO SURVIVE DELIVERY. The respective indemnities, agreements, representations, warranties, covenants and other statements of the Company and the Underwriter set forth in Sections 3, 6, 7 and 8 of this Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of any other party, and shall survive delivery of and payment for the Units and the termination of this Agreement. The Company hereby indemnifies and holds harmless the Underwriter from and against all Liabilities, joint or several, to which the Underwriter may become subject insofar as such Liabilities arise out of or are based upon the breach or failure of any of the provisions of Sections 3, 6, 7 and 8.

13. NOTICES. All communications hereunder shall be in writing and, except as otherwise expressly provided herein, if sent to you, shall be mailed, delivered or telegraphed and confirmed to you at Maidstone Financial, Inc., 101 East 52nd Street, New York, New York 10022, with a copy sent to Jay M. Kaplowitz, Esq., Gersten, Savage, Kaplowitz, Fredericks & Curtin, LLP, 101 East 52nd Street, New York, New York 10022; or if sent to the Company, shall be mailed, delivered, or telegraphed and confirmed to it at Rockwell Medical Technologies, Inc., 28025 Oakland Oaks Drive, Wixom, Michigan 48393, with a copy sent to Patrick T. Duerr, Esq., Honigman Miller Schwartz & Cohn, 2290 First National Building, 660 Woodward Avenue, Detroit, Michigan 48226-3583.

14. PARTIES IN INTEREST. This Agreement is made solely for the benefit of the Underwriter, the Company, and, to the extent expressed, any person controlling the Company or the Underwriter, as the case may be, and the directors of the Company, nominees for directors of the Company (if any) named in the Prospectus, officers of the Company who have signed the Registration Statement, and their respective executors, administrators, successors and assigns; and no other person shall acquire or have any right under or by virtue of this Agreement. The term "successors and assigns" shall not include any purchaser, as such, from the Underwriter of the Units.

15. CONSTRUCTION. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York, without giving effect to

conflict of laws. The parties agree to submit themselves to the jurisdiction of the courts of the State of New York or of the United States of America for the Southern District of New York, which shall be the sole tribunals in which any parties may institute and maintain a legal proceeding against the other party arising from any dispute in this Agreement. In the event either party initiates a legal proceeding in a jurisdiction other than in the courts of the State of New York or of the United States of America for the Southern District of New York, the other party may assert as a complete defense and as a basis for dismissal of such legal proceeding that the legal proceeding was not initiated and maintained in the courts of the State of New York or of the United States of America for the Southern District of New York, in accordance with the provisions of this Section 15.

16. ENTIRE AGREEMENT. This Agreement, the Underwriter's Unit Purchase Option, and the Financial Consulting Agreement contain the entire agreement between the parties hereto in connection with the subject matter hereof and thereof.

17. COUNTERPARTS. This Agreement may be executed in two or more counterpart copies, each of which shall be deemed and an original but all of which together shall constitute one and the same instrument.

If the foregoing is in accordance with your understanding of our agreement, kindly sign and return this Agreement, whereupon it will become a binding agreement between the Company and the Underwriter in accordance with its terms.

Very truly yours,

ROCKWELL MEDICAL TECHNOLOGIES, INC.

By:_____

Name:
Title:

Accepted as of the date
first above written:
New York, New York

MAIDSTONE FINANCIAL, INC.

By:_____
Name:
Title:

EXHIBIT 1.2

ADVISORY AND INVESTMENT BANKING AGREEMENT

This Agreement is made and entered into as of the __ day of _____, 1997 by and between Maidstone Financial, Inc., a New York corporation ("Maidstone"), and Rockwell Medical Technologies, Inc., a Michigan corporation (the "Company").

In consideration of the mutual promises made herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. PURPOSE: The Company hereby engages Maidstone for the term specified in Paragraph 2 hereof to render consulting advice to the Company as an investment banker relating to financial and similar matters upon the terms and conditions set forth herein.

2. TERM: Except as otherwise specified in paragraph 4 hereof, this Agreement shall be effective from _____, 1997 to _____, 1999.

3. DUTIES OF MAIDSTONE: During the term of this Agreement, Maidstone shall seek out Transactions (as hereinafter defined) on behalf of the Company and shall furnish advice to the Company in connection with any such Transactions.

4. COMPENSATION: In consideration for the services rendered by Maidstone to the Company pursuant to this Agreement (and in addition to the expenses provided for in Paragraph 5 hereof), the Company shall compensate Maidstone as follows:

(a) The Company shall pay Maidstone a fee of $4,166 per month during the term of this Agreement. The sum of $99,984 shall be payable in full on the date of this Agreement;

(b) In the event that any Transaction (as hereinafter defined) occurs during the term of this Agreement or one year thereafter, the Company shall pay fees to Maidstone as follows:

CONSIDERATION	FEE
$ - 0 - to $ 500,000	Minimum fee of $25,000
$ 500,000 to $5,000,000	5% of Consideration
$5,000,000 or more	$250,000 plus 1% of the Consideration in excess of $5,000,000

For the purposes of this Agreement, "Consideration" shall mean the total market value on the day of the closing of stock, cash, assets and all other property (real or personal) exchanged or received, directly or indirectly by the Company or any of its security holders in connection with any Transaction. Any co-broker retained by Maidstone shall be paid by Maidstone.

For the purposes of the Agreement, a "Transaction" shall mean (a) any transaction originated by Maidstone, other than in the ordinary course of trade or business of the Company, whereby, directly or indirectly, control of or a material interest in the Company or any of its businesses or any of their respective assets, is transferred for Consideration, (b) any transaction originated by Maidstone whereby the Company acquires any other company or the

assets of any other company or an interest in any other company (an "Acquisition") or (c) any sale or Acquisition in connection with which the Company engages an investment banker other than Maidstone and pays such investment banker a fee in respect of such Transaction.

In the event Maidstone originates a line of credit with a lender, the Company and Maidstone will mutually agree on a satisfactory fee and the terms of payment of such fee; provided, however, that in the event the Company is introduced to a corporate partner by Maidstone in connection with a merger, acquisition or financing and a credit line develops directly as a result of the introduction, the appropriate fee shall be the amount set forth in the schedule above. In the event Maidstone introduces the Company to a joint venture partner or customer and sales develop as a result of the introduction, the Company agrees to pay a fee of five percent (5%) of total sales generated directly from this introduction during the first two years following the date of the first sale. Total sales shall mean cash receipts less any applicable refunds, returns, allowances, credits and shipping charges and monies paid by the Company by way of settlement or judgment arising out of claims made by or threatened against the Company. Commission payments shall be paid on the 15th day of each month following the receipt of customers' payment. In the event any adjustments are made to the total sales after the commission has been paid, the Company shall be entitled to an appropriate refund or credit against future payments under this Agreement. All fees to be paid pursuant to this Agreement, except as otherwise specified, are due and payable to Maidstone in cash at the closing or closings of any transaction specified in Paragraph 4 hereof. In the event that this Agreement shall not be

renewed or if terminated for any reason, notwithstanding any such non-renewal or termination, Maidstone shall be entitled to a full fee as provided under Paragraphs 4 and 5 hereof, for any transaction for which the discussions were initiated during the term of this Agreement and which is consummated within a period of twelve months after non-renewal or termination of this Agreement.

5. EXPENSES OF MAIDSTONE: In addition to the fees payable hereunder, and regardless of whether any transaction set forth in Paragraph 4 hereof is proposed or consummated the Company shall reimburse Maidstone for all fees and disbursements of Maidstone's counsel and Maidstone's travel and out-of-pocket expenses incurred in connection with the services performed by Maidstone pursuant to this Agreement, including without limitation, hotels, food and associated expenses and long-distance telephone calls.

6. LIABILITY OF MAIDSTONE:

(1) The Company acknowledges that all opinions and advice (written or oral) given by Maidstone to the Company in connection with Maidstone's engagement are intended solely for the benefit and use of the Company in considering the transaction to which they relate, and the Company agrees that no person or entity other than the Company shall be entitled to make use of or rely upon the advice of Maidstone to be given hereunder, and no such opinion or advice shall be used for any other purpose or reproduced, disseminated, quoted or

referred to at any time, in any manner or for any purpose, nor may the Company make any public references to Maidstone, or use Maidstone's name in any annual reports or any other reports or releases of the Company without Maidstone's prior written consent.

(2) The Company acknowledges that Maidstone makes no commitment whatsoever as to making a market in the Company's securities or to recommending or advising its clients to purchase the Company's securities. Research reports or corporate finance reports that may be prepared by Maidstone will, when and if prepared, be done solely on the merits or judgment of analysis of Maidstone or any senior corporate finance personnel of Maidstone.

7. MAIDSTONE'S SERVICES TO OTHERS: The Company acknowledges that Maidstone's or its affiliates are in the business of providing financial services and consulting advice to others. Nothing herein contained shall be construed to limit or restrict Maidstone in conducting such business with respect to others, or in rendering such advice to others.

8. COMPANY INFORMATION:

(a) The Company recognizes and confirms that, in advising the Company and in fulfilling its engagement hereunder, Maidstone will use and rely on data, material and other information furnished to Maidstone by the Company. The Company acknowledges and agrees that in performing its services under this engagement, Maidstone may rely upon the data, material and other information supplied by the Company without

independently verifying the accuracy, completeness or veracity of same.

(b) Except as contemplated by the terms hereof or as required by applicable law, Maidstone shall keep confidential all material non-public information provided to it by the Company, and shall not disclose such information to any third party, other than such of its employees and advisors as Maidstone determines to have a need to know.

9. INDEMNIFICATION:

a. The Company shall indemnify and hold Maidstone harmless against any and all liabilities, claims, lawsuits, including any and all awards and/or judgments to which it may become subject under the Securities Act of 1933, as amended (the "1933 Act"), the Securities Exchange Act of 1934, as amended (the "Act") or any other federal or state statute, at common law or otherwise, insofar as said liabilities, claims and lawsuits (including awards and/or judgments) arise out of or are in connection with the services rendered by Maidstone or any transactions in connection with this Agreement, except for any liabilities, claims and lawsuits (including awards and/or judgments), arising out of acts or omissions of Maidstone. In addition, the Company shall also indemnify and hold Maidstone harmless against any and all costs and expenses, including reasonable counsel fees, incurred or relating to the foregoing.

Maidstone shall give the Company prompt notice of any such liability, claim or lawsuit which Maidstone contends is the subject matter of the Company's indemnification and the Company thereupon shall be granted the right to take any and all

necessary and proper action, at its sole cost and expense, with respect to such liability, claim and lawsuit, including the right to settle, compromise and dispose of such liability, claim or lawsuit, excepting therefrom any and all proceedings or hearings before any regulatory bodies and/or authorities.

Maidstone shall indemnify and hold the Company harmless against any and all liabilities, claims and lawsuits, including any and all awards and/or judgments to which it may become subject under the 1933 Act, the Act or any other federal or state statute, at common law or otherwise, insofar as said liabilities, claims and lawsuits (including awards and/or judgments) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact required to be stated or necessary to make the statement therein, not misleading, which statement or omission was made in reliance upon information furnished in writing to the Company by or on behalf of Maidstone for inclusion in any registration statement or prospectus or any amendment or supplement thereto in connection with any transaction to which this Agreement applies. In addition, Maidstone shall also indemnify and hold the Company harmless against any and all costs and expenses, including reasonable counsel fees, incurred or relating to the foregoing.

The Company shall give to Maidstone prompt notice of any such liability, claim or lawsuit which the Company contends is the subject matter of Maidstone's indemnification and Maidstone thereupon shall be granted the right to a take any and all necessary and proper action, at its sole cost and expense, with respect to such liability, claim and lawsuit, including the

right to settle, compromise or dispose of such liability, claim or lawsuit, excepting therefrom any and all proceedings or hearings before any regulatory bodies and/or authorities.

b. In order to provide for just and equitable contribution under the Act in any case in which (i) any person entitled to indemnification under this Section 9 makes claim for indemnification pursuant hereto but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case notwithstanding the fact that this Section 10 provides for indemnification in such case, or (ii) contribution under the Act may be required on the part of any such person in circumstances for which indemnification is provided under this Section 10, then, and in each such case, the Company and Maidstone shall contribute to the aggregate losses, claims, damages or liabilities to which they may be subject (after any contribution from others) in such proportion taking into consideration the relative benefits received by each party from the offering covered by the prospectus with respect to any transactions in connection with this Agreement (taking into account the portion of the proceeds of the offering realized by each), the parties' relative knowledge and access to information concerning the matter with respect to which the claim was assessed, the opportunity to correct and prevent any statement or omission and other equitable considerations appropriate under the circumstances; provided, however, that notwithstanding the above in no event shall Maidstone be required to contribute any amount in excess of 10% of the public offering price of any securities to which such Prospectus applies; and provided, that, in any such

case, no person guilty of a fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

Within fifteen (15) days after receipt by any party to this Agreement (or its representative) of notice of the commencement of any action, suit or proceeding, such party will, if a claim for contribution in respect thereof is to be made against another party (the "Contributing Party"), notify the Contributing Party of the commencement thereof, but the omission so to notify the Contributing Party will not relieve it from any liability which it may have to any other party other than for contribution hereunder. In case any such action, suit or proceeding is brought against any party, and such party notifies a Contributing Party or his or its representative of the commencement thereof within the aforesaid fifteen (15) days, the Contributing Party will be entitled to participate therein with the notifying party and any other Contributing Party similarly notified. Any such Contributing Party shall not be liable to any party seeking contribution on account of any settlement of any claim, action or proceeding effected by such party seeking contribution without the written consent of the Contributing Party. The indemnification provisions contained in this Section 10 are in addition to any other rights or remedies which either party hereto may have with respect to the other or hereunder.

10. MAIDSTONE AN INDEPENDENT CONTRACTOR : Maidstone shall perform its services hereunder as an independent contractor and not as an employee of the Company or an

affiliate thereof. It is expressly understood and agreed to by the parties hereto that Maidstone shall have no authority to act for, represent or bind the Company or any affiliate thereof in any manner, except as may be agreed to expressly by the Company in writing from time to time.

11. MISCELLANEOUS:

(1) This Agreement between the Company and Maidstone constitutes the entire agreement and understanding of the parties hereto, and supersedes any and all previous agreements and understandings, whether oral or written, between the parties with respect to the matters set forth herein.

(2) Any notice or communication permitted or required hereunder shall be in writing and shall be deemed sufficiently given if hand-delivered or sent (i) postage prepaid by registered mail, return receipt requested, or (ii) by facsimile, to the respective parties as set forth below, or to such other address as either party may notify the other in writing:

If to the Company, to:	Rockwell Medical Technologies, Inc. 28025 Oakland Oaks Drive Wixom, Michigan 48393
with a copy to:	Patrick T. Duerr Honigman Miller Schwartz and Cohn 2290 First National Building Detroit, Michigan 48226
If to Maidstone, to:	Maidstone Financial Inc. 101 East 52nd Street New York, New York 10022
with a copy to:	JAY M. KAPLOWITZ

Gersten, Savage, Kaplowitz,
Fredericks & Curtin, LLP
101 East 52nd Street
New York, New York 10022

(3) This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors, legal representatives and assigns.

(4) This Agreement may be executed in any number of counterparts, each of which together shall constitute one and the same original document.

(5) No provision of this Agreement may be amended, modified or waived, except in a writing signed by all of the parties hereto.

(6) This Agreement shall be construed in accordance with and governed by the laws of the State of New York, without giving effect to conflict of law principles. The parties hereby agree that any dispute which may arise between them arising out of or in connection with this Agreement shall be adjudicated before a court located in New York City, and they hereby submit to the exclusive jurisdiction of the courts of the State of New York located in New York, New York and of the federal courts in the Southern District of New York with respect to any action or legal proceeding commenced by any party, and irrevocably waive any objection they now or hereafter may have respecting the venue of any such action or proceeding brought in such a court or respecting the fact that such court is an inconvenient forum, relating to or arising out of this Agreement, and consent to the service of process in any such action or legal proceeding by means of registered or certified mail, return receipt requested, in care of the address set forth in Paragraph 11(b) hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed, as of the day and year first above written.

MAIDSTONE FINANCIAL, INC.

By:_____

ROCKWELL MEDICAL TECHNOLOGIES, INC.

By:_____

EXHIBT 3(i).1

C&S-500 (REV. 8/93)

MICHIGAN DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES
CORPORATION, SECURITIES AND LAND DEVELOPMENT BUREAU

(Date Received) (For Bureau Use Only)

Filed October 25, 1996

Name
Jeanette M. Russow
Honigman Miller Schwartz and Cohn
- ----------
Address
2290 First National Building
- ----------
City State Zip Code
Detroit MI 48226 EFFECTIVE DATE:
- ----------
Document will be returned to the name
and address you enter above.

/___/___/___/ - /___/___/___/

ARTICLES OF INCORPORATION
FOR USE BY DOMESTIC PROFIT CORPORATION

Pursuant to the provisions of Act 284, Public Acts of 1972, the undersigned corporation executes the following Articles:

ARTICLE I

The name of the corporation is: Acquisition Partners, Inc.

ARTICLE II

The purpose or purposes for which the corporation is formed is to engage in any activity within the purposes for which corporations may be formed under the Business Corporation Act of Michigan.

ARTICLE III

The total authorized shares:

1. Common Shares 60,000

Preferred Shares -0-

2. A statement of all of any of the relative rights, preferences and limitations of the shares of each class is as follows: None

ARTICLE IV

1. The address of the registered office is:

2290 First National Building Detroit, Michigan 48226

2. The mailing address of the registered office, if different than above:

3. The name of the resident agent at the registered office is: Patrick T. Duerr

ARTICLE V

The name and address of the incorporator is as follows:

Name	Residence or Business Address
Jeanette M. Russow	2290 First National Building Detroit, Michigan 48226

ARTICLE VI

Any action required or permitted by the Act to be taken at an annual or special meeting of shareholders may be taken without a meeting, without prior notice, and without a vote, if consents in writing setting forth the action so taken, are signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all shares entitled to vote on the action were present and voted. The written consents shall bear the date of signature of each shareholder who signs the consent. No written consents shall be effective to take the corporate action referred to unless, within 60 days after the record date for determining shareholders entitled to express consent or to dissent from a proposal without a meeting, written consents dated not more than 10 days before the record date and signed by a sufficient number of shareholders to take the action are delivered to the corporation. Delivery shall be to the corporation's registered office, its principal place of business, or an officer or agent of the corporation having custody of the minutes of the proceedings of its shareholders. Delivery made to a corporation's registered office shall be by hand or by certified or registered mail, return receipt requested.

Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to shareholders who would have been entitled to notice of the shareholder meeting if the action had been taken at a meeting and who have not consented in writing.

ARTICLE VII

To the full extent permitted by the Michigan Business Corporation Act or any other applicable laws presently or hereafter in effect, no director of the corporation shall be personally liable to the corporation or its shareholders for or with respect to any acts or omissions in the performance of his or her fiduciary duties as a director of the corporation. Any repeal or modification of this Article VII shall not adversely affect any right or protection of a director of the corporation existing immediately prior to, or for or with respect to, any acts or omissions occurring before such repeal or modification.

I, the incorporator sign my name this 24th day of October, 1996.

Jeanette M. Russow

Jeanette M. Russow

Name of Person or Organization Remitting Fees:

Honigman Miller Schwartz and Cohn

Preparer's Name and Business Telephone Number:

Jeanette M. Russow

(313) 256-7634

INFORMATION AND INSTRUCTIONS

1. The Articles of Incorporation cannot be filed until this form, or a comparable document, is submitted.

2. Submit one original of this document. Upon filing, the document will be added to the records of the Corporation and Securities Bureau. The original will be returned to the address appearing in the box on the front as evidence of filing. Since this document will be maintained on optical disk media, it is important that the filing be legible. Documents with poor black and white contract, or otherwise illegible, will be rejected.

3. This document is to be used pursuant to the provisions of Act 284, P.A. of 1972, by one or more persons for the purpose of forming a domestic profit corporation.

4. Article I - The corporation name of a domestic profit corporation is required to contain one of the following words or abbreviations: "Corporation", "Company", Incorporated", "Limited", "Corp.", "Co.", "Inc.", or "Ltd".

5. Article II - State, in general terms, the character of the particular business to be carried on. Under section 202(b) of the Act, it is sufficient to state substantially, alone or with specifically enumerated purposes, that the corporation may engage in any activity within the purposes for which corporations may be formed under the Act. The Act requires, however, that educational corporations state their specific purposes.

6. Article III - Indicate the total number of shares which the corporation has authority to issue. If there is more than one class or series of shares, state the relative rights, preferences and limitations of the shares of each class in Article III(2).

7. Article IV - A post office box may not be designated as the address of the registered office.

8. Article V - The Act requires one or more incorporators. Educational corporations are required to have at least three (3) incorporators. The addresss(es) should include a street number and name (or other designation), city and state.

9. The duration of the corporation should be stated in the articles only if the duration is not perpetual.

10. This document is effective on the date endorsed "filed" by the Bureau. A later effective date, no more than 90 days after the date of delivery, may be stated as an additional article.

11. The articles must be signed in ink by each incorporator. The names of the incorporators as set out in Article V should correspond with the signatures.

12. FEES: Make remittance payable to the State of Michigan. Include corporation name on check or money order.

NONREFUNDABLE FEE	$10.00
ORGANIZATION FEE: first 60,000 authorized shares or portion thereof	$50.00
TOTAL MINIMUM FEE	$60.00
ADDITIONAL ORGANIZATION FEE FOR AUTHORIZED SHARES OVER 60,000:	
each additional 20,000 authorized shares or portion thereof	$30.00
maximum fee for first 100,000,000 authorized shares	$5,000.00
each additional 20,000 authorized shares or portion thereof in excess of 10,000,000 shares	$30.00
maximum fee per filing for authorized shares in excess of 10,000,000 shares	$200,000.00

13. Mail form and fee to:

Michigan Department of Consumer and Industry Service
Corporation, Securities and Land Development Bureau
Corporation Division
P.O. Box 30054
Lansing, MI 48909-7554

The office is located at:

6546 Mercantile Way
Lansing, MI 48910
Telephone: (517) 334-6302

EXHIBIT 3(i).2

C&S-515 (REV. 8/96)

MICHIGAN DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES
CORPORATION, SECURITIES AND LAND DEVELOPMENT BUREAU

(Date Received) (For Bureau Use Only)
NOV 22 1996

FILED
NOV 22 1996

ADMINISTRATOR
MI DEPARTMENT OF CONSUMER & INDUSTRY SERVICES
CORPORATION, SECURITIES & LAND DEVELOPMENT BUREAU

Name
Jeanette M. Russow
Honigman Miller Schwartz and Cohn
- ----------
Address
2290 First National Building
- ----------
City State Zip Code
Detroit MI 48226 EFFECTIVE DATE:
- ----------
Document will be returned to the name and address you enter above.

CERTIFICATE OF AMENDMENT TO THE ARTICLES OF INCORPORATION
FOR USE BY DOMESTIC PROFIT AND NONPROFIT CORPORATIONS

Pursuant to the provisions of Act 284, Public Acts of 1972 (profit corporations), or Act 162, Public Acts of 1982 (nonprofit corporations), the undersigned corporation executes the following certificate:

1. The name of the corporation or limited liability company is:

Acquisition Partners, Inc.

2. The identification number assigned by the Bureau is: /4/2/7/ - /7/4/5/

3. The location of the registered office is:

2290 First National Building, Detroit, Michigan 48226

4. Articles I and III of the Articles of Incorporation are hereby amended to read in their entirety as follows:

ARTICLE I

The name of the corporation is: Rockwell Medical Technologies, Inc.

ARTICLE III

The total authorized shares:

1. Common Shares 4,000,000

Preferred Shares -0-

2. A statement of all of any of the relative rights, preferences and limitations of the shares of each class is as follows: None

5. (For profit corporations, and for nonprofit corporations whose articles state the corporation is organized on a stock or on a membership basis.)

The foregoing amendment to the Articles of Incorporation was duly adopted on the 22nd day of November, 1996 by the shareholders if a profit corporation, or by the shareholders or members if a nonprofit corporation (check one of the following)

/ / at a meeting. The necessary votes were cast in favor of the amendment.

/ / by written consent of the shareholders or members having not less than the minimum number of votes required by statute in accordance with Section 407(1) of and (2) of the Act if a nonprofit corporation, or Section 407(1) of the Act if a profit corporation. Written notice to shareholders or members who have not consented in writing has been given. (Note: Written consent by less than all of the shareholders or members is permitted only if such provision appears in the Articles of Incorporation.)

/X/ by written consent of all the shareholders or members entitled to vote in accordance with Section 407(3) of the Act if a nonprofit corporation, or Section 407(2) of the Act if a profit corporation.

Signed this 22nd day of November, 1996.

By /s/ Robert L. Chioini

(Signature of President, Vice-President, Chairperson or Vice-Chairperson)

Robert L. Chioini, President

(Type or Print Name and Title)

SEAL APPEARS ONLY ON ORIGINAL

Name of Person or Organization Remitting Fees:
Honigman Miller Schwartz and Cohn

Preparer's Name and Business Telephone Number:
Jeanette M. Russow
(313) 256-7634

INFORMATION AND INSTRUCTIONS

1. The amendment cannot be filed until this form, or a comparable document, is submitted.

2. Submit one original of this document. Upon filing, the document will be added to the records of the Corporation and Securities Bureau. The original will be returned to the address appearing in the box on the front as evidence of filing.

   Since this document will be maintained on optical disk media, it is important that the filing be legible. Documents with poor black and white contrast, or otherwise illegible, will be rejected.

3. This document is to be used pursuant to the provisions of Section 631 of the Act for the purpose of amending the articles of incorporation of a domestic profit corporation or nonprofit corporation. Do not use this form for restated articles. A nonprofit corporation is one incorporated to carry out any lawful purpose or purposes not involving pecuniary profit or gain for its directors, officers, shareholders, or members.

4. Item 2 - Enter the identification number previously assigned by the Bureau. If this number is unknown, leave it blank.

5. Item 4 - The article(s) being amended must be set forth in its entirety. However, if the article being amended is divided into separately identifiable sections, only the sections being amended need be included.

6. This document is effective on the date endorsed "filed" by the Bureau. A later effective date, no more than 90 days after the date of delivery, may be stated as an additional article.

7. If the amendment is adopted before the first meeting of the board of directors, item 5(a) must be completed and signed in ink by a majority of the incorporators if more than one listed in Article V of the Articles of Incorporation if a profit corporation, and all the incorporators if a nonprofit corporation. If the amendment is otherwise adopted, item 5(b) must be completed and signed in ink by the president, vice-president, chairperson, or vice-chairperson of the corporation.

8. FEES: Make remittance payable to the State of Michigan. Include corporation name and identification number on check or money order.

NONREFUNDABLE FEE	$10.00
TOTAL MINIMUM FEE	$10.00
ADDITIONAL FEES DUE FOR INCREASED AUTHORIZED SHARES OF PROFIT CORPORATIONS ARE:	
each additional 20,000 authorized shares or portion thereof	$ 30.00
maximum fee for first 10,000,000 authorized shares	$ 5,000.00
each additional 20,000 authorized shares or portion thereof in excess of 10,000,000 shares	$ 30.00
maximum fee per filing for authorized shares in excess of 10,000,000 shares	$ 200,000.00

9. Mail form and fee to:

   Michigan Department of Consumer and Industry Services Corporation,
   Securities and Land Development Bureau
   Corporation Division
   P.O. Box 30054
   Lansing, MI 48909-7554

   The office is located at:

   6546 Mercantile Way
   Lansing, MI 48910
   Telephone: (517) 334-6302

SEAL APPEARS ONLY ON ORIGINAL

C&S518 (Rev.5/93) EXHIBIT 3(i).3

MICHIGAN DEPARTMENT OF COMMERCE - CORPORATION AND SECURITIES BUREAU

Dated Received (FOR BUREAU USE ONLY)

APR 09 1997

FILED

APR -9 1997

NAME
JANIS K. KUJAN, LEGAL ASSISTANT

ADDRESS
HONIGMAN MILLER SCHWARTZ AND COHN
2290 FIRST NATIONAL BUILDING

CITY STATE ZIP CODE
DETROIT, MI 48226

Administrator
MI DEPARTMENT OF CONSUMER & INDUSTRY SERVICES
CORPORATION, SECURITIES & LAND DEVELOPMENT BUREAU

EFFECTIVE DATE: 10-25-96

DOCUMENT WILL BE RETURNED TO THE NAME AND ADDRESS YOU ENTER ABOVE

CERTIFICATE OF CORRECTION
FOR USE BY CORPORATIONS AND LIMITED LIABILITY COMPANIES

(Please read information and instructions on last page)

Pursuant to the provisions of Act 284, Public Acts of 1972 (profit corporations), Act 162, Public Acts of 1982 (nonprofit corporations), or Act 23, Public Acts of 1993 (limited liability companies), the undersigned corporation or limited liability company executes the following Certificate:

1. The name of the corporation or limited liability company is: ROCKWELL MEDICAL TECHNOLOGIES, INC.

2. The identification number assigned by the Bureau is: 4 2 7 - 7 4 5

3. The corporation or limited liability company is formed under the laws of the State of Michigan

4. THAT Articles of Incorporation
(TITLE OF DOCUMENT BEING CORRECTED)

was filed by the Bureau on October 25, 1996 and that said document requires correction.

5. DESCRIBE THE INACCURACY OR DEFECT CONTAINED IN THE ABOVE NAMED DOCUMENT:
Article III, Paragraph 1 did not accurately reflect the authorized common shares of the corporation.

6. THE DOCUMENT IS CORRECTED AS FOLLOWS:
The total authorized shares:
1. Common Shares 4,000,000
Preferred Shares -0-
2. A statement of all of the relative rights, preferences and limitations of the shares of each class is as follows:
None

READ INSTRUCTION #7
BEFORE SIGNING

SIGNED this 8th DAY OF April, 1997

BY (SIGNATURE)

BY /s/ Jeanette M. Russow (SIGNATURE)

Jeanette M. Russow, Incorporator
(TYPE OR PRINT NAME AND TITLE)

BY (SIGNATURE)

(TYPE OR PRINT NAME AND TITLE)

Name of Person or Organization
Remitting Fees:

HONIGMAN MILLER SCHWARTZ
AND COHN

Preparer's Name and Business
Telephone Number:

JANIS K. KUJAN, LEGAL ASSISTANT
(313) 256-7833

INFORMATION AND INSTRUCTIONS

1. The certificate of correction cannot be filed until this form, or a comparable document, is submitted.

2. Submit one original of this document. Upon filing, the document will be added to the records of the Corporation and Securities Bureau. The original will be returned to the address you enter in the box on the front as evidence of filing.

   Since this document will be maintained on optical disc media, it is important that the filing be legible. Documents with poor black and white contrast, or otherwise illegible, will be rejected.

3. The corrected document is effective in its corrected form as of its original filing date except as to a person who relied upon the inaccurate portion of the document and was, as a result of the inaccurate portion of the document, adversely affected by the correction.

4. Item 2 - Enter the identification number assigned by the Bureau.

5. This document is to be used pursuant to section 133 of Act 284, PA 1972; section 133 of Act 162, PA 1982; or section 106 of Act 23, PA of 1993 for the purpose of correcting a document filed with the Bureau which at the time of filing was an inaccurate record of the action referred to in the document or was defectively or erroneously executed. It may be used by corporations or limited liability companies.

6. Item 6 - State the provision as it should have originally appeared.

7. This certificate must be signed in ink in the same manner as was required for the document to be corrected.

8. Fees: Make remittance payable to the State of Michigan. Include name and identification number on check or money order. NONREFUNDABLE FILING FEE

   CORPORATIONS $10.00
   LIMITED LIABILITY COMPANIES $25.00

9. Mail form and fee to:

   Michigan Department of Commerce
   Corporation and Securities Bureau
   Corporation Division
   P.O. Box 30054
   Lansing, MI 48909-7554

   The office is located at:

   6546 Mercantile Way
   Lansing, MI 48910
   (517) 334-6302

C&S 515 (Rev. 8/96) EXHIBIT 3(i).4

MICHIGAN DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES
CORPORATION, SECURITIES AND LAND DEVELOPMENT BUREAU

Date Received (FOR BUREAU USE ONLY)
JUL 18 1997

FILED
JUL 22 1997

Name David A. Breach
Honigman Miller Schwartz and Cohn

Administrator
MI DEPARTMENT OF CONSUMER & INDUSTRY SERVICES
CORPORATION, SECURITIES & LAND DEVELOPMENT BUREAU

Address
2290 First National Building 660 Woodward Avenue

City State Zip Code
Detroit Michigan 48226-3583 EFFECTIVE DATE:
DOCUMENT WILL BE RETURNED TO THE NAME AND ADDRESS YOU ENTER ABOVE

CERTIFICATE OF AMENDMENT TO THE ARTICLES OF INCORPORATION
FOR USE BY DOMESTIC PROFIT AND NONPROFIT CORPORATIONS
(Please read information and instructions on the last page)

Pursuant to the provisions of Act 284, Public Acts of 1972 (profit corporations), or Act 162, Public Acts of 1982 (nonprofit corporations), the undersigned corporation executes the following Certificate:

1. The present name of the corporation is:
Rockwell Medical Technologies, Inc.

2. The identification number assigned by the Bureau is: 427-745

3. The location of the registered office is:

2290 First National Building Detroit, Michigan 48226
(Street Address) (City) (ZIP Code)

4. Article III of the Articles of Incorporation is hereby amended and Articles VIII, IX, X and XI are hereby added to the Articles of Incorporation as follows:

See Rider A attached.

5. (For amendments adopted by unanimous consent of incorporation before the first meeting of the board of directors or trustees.)

The foregoing amendment to the Articles of Incorporation was duly adopted on the _____ day of _____, in accordance with the provisions of the Act by the unanimous consent of the incorporator(s) before the first meeting of the Board of Directors or Trustees.

Signed this _____ day of _____

_____	_____
(Signature)	(Signature)
_____	_____
(Type or Print Name)	(Type or Print Name)
_____	_____
(Signature)	(Signature)
_____	_____
(Type or Print Name)	(Type or Print Name)

6. (For profit corporations, and for nonprofit corporations whose articles state the corporation is organized on a stock or on a membership basis.)

The foregoing amendment to the Articles of Incorporation was duly adopted on the 16th day of July, 1997 by the shareholders if a profit corporation, or by the shareholders or members if a nonprofit corporation (check one of the following)

[ ] at a meeting. The necessary votes were cast in favor of the amendment.

[x] by written consent of the shareholders or members having not less than the minimum number of votes required by statute in accordance with Section 407(1) and (2) of the Act if a nonprofit corporation, or Section 407(1) of the Act if a profit corporation. Written notice to shareholders or members who have not consented in writing has been given. (Note: Written consent by less than all of the shareholders or members is permitted only if such provision appears in the Articles of Incorporation.)

[ ] by written consent of all the shareholders or members entitled to vote in accordance with section 407(3) of the Act if a nonprofit corporation, or Section 407(2) of the Act if a profit corporation.

Signed this 17th day of July, 1997

By /s/ Robert L. Chioini

(Signature of President, Vice-President, Chairperson or Vice-Chairperson

Robert L. Chioini	President
(Type or Print Name)	(Type or Print Title)

Rider A

1. Article III is hereby deleted and replaced in its entirety with the following:

The total authorized shares:

1. Common Shares: 20,000,000
Preferred Shares: 3,416,664

2. A statement of any of the relative rights, preferences and limitations of the shares of each class as follows:

A. Designation. ROCKWELL MEDICAL TECHNOLOGIES, INC., a corporation organized and existing under the laws of the State of Michigan (the "Corporation"), hereby designates 1,416,664 preferred shares of the Corporation as Series A Preferred Shares, par value $1.00 per share (the "Series A Preferred Shares"), from the Corporation's 3,416,664 authorized preferred shares.

B. Dividends.

(i) Amount and Timing. The holders of Series A Preferred Shares shall be entitled to receive, out of funds legally available for the payment of dividends, cumulative cash dividends in the amount of $0.085 per share per year, which shall accrue, unless and until paid, ratably each day such share is outstanding from June 1, 1997 until such share is redeemed, liquidated or cancelled. Such dividends will be computed on the basis of a 360-day year for the actual number of days elapsed and the dividends shall be paid in cash. Dividends paid in respect of the Series A Preferred Shares may only be paid as and when directed by the Board of Directors of the Corporation or on the Mandatory Redemption Date (as set forth in Paragraph D).

(ii) Priority. As long as any Series A Preferred Shares are outstanding, the Corporation shall not (a) declare, pay, or set money, securities or other property apart for the payment of, any dividend on any other shares of the Corporation, including all classes of common shares and any other series of preferred shares (all of such shares of the Corporation referred to as the "Junior Shares"), or (b) make any payment on account of, or set money, securities or other property apart for the payment into a sinking or other similar fund for the purchase, redemption or other retirement of, any of the Junior Shares or any warrants, rights, calls or options exercisable for or exchangeable into any of the Junior Shares (collectively, the "Junior Securities"), or (c) make any distribution in respect of any Junior Securities, either directly or indirectly, and whether in cash, obligations or shares of the Corporation or other property (other than distributions or dividends in Junior Shares to the holders of Junior Shares), and shall not permit any corporation or other entity directly or indirectly controlled by the Corporation to purchase or redeem any of the Junior Securities, unless prior to or concurrently with such declaration, payment, setting apart for payment, purchase, redemption or distribution, as the case may be, all accrued and unpaid dividends on the Series A Preferred Shares shall have been paid.

C. Liquidation Preference.

(i) In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, the holders of Series A Preferred Shares then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its shareholders an amount in cash equal to $1.00 for each share outstanding, plus an amount in cash equal to all accrued but unpaid dividends thereon to the date fixed for liquidation, dissolution or winding up before any payment shall be made or any assets distributed to the holders of any of the Junior Securities. If the assets of the Corporation available for distribution to its shareholders are not sufficient to pay in full the liquidation payments payable to the holders of outstanding Series A Preferred Shares, then the holders of all such shares shall share ratably in the distribution of all assets available for distribution to the Corporation's shareholders in proportion to the amounts that would have been paid on such distribution if the assets of the Corporation available for distribution to its shareholders had been sufficient to pay in full the liquidation payments payable to the holders of outstanding Series A Preferred Shares. If the assets of the Corporation available for distribution exceed the maximum amount which may be distributed to holders of Series A Preferred Shares, the remaining assets available for distribution shall be distributed among the holders of Junior Securities.

(ii) For purposes of this Paragraph C, neither the voluntary sale, conveyance, exchange or transfer (for cash, shares, securities or other consideration) of all or substantially all of the property or assets of the Corporation or its outstanding shares nor the consolidation or merger of the Corporation with one or more other corporations shall be deemed to be a liquidation, dissolution or winding up of the affairs of the Corporation, voluntary or involuntary, unless such sale, conveyance, exchange or transfer shall be in connection with a plan of liquidation, dissolution or winding up of the Corporation.

D. Redemptions.

(i) Mandatory Redemption. Series A Preferred Shares shall be subject to purchase by the Corporation, and shall be purchased by the Corporation, as follows: On January 31, 1998 (the "Mandatory Redemption Date"), the Corporation shall redeem the outstanding Series A Preferred Shares at a purchase price equal to $1.00 per share plus accumulated and unpaid dividends on the Mandatory Redemption Date, which purchase price shall be payable in cash. From and after the Mandatory Redemption Date, the holders of Series A Preferred Shares shall not have any rights as shareholders except the right to receive from the Corporation the redemption price of such Series A Preferred Shares, without interest, upon the surrender of such Series A Preferred Shares.

(ii) Optional Redemption. In addition to the Corporation's obligation to redeem the then outstanding Series A Preferred Shares set forth in Paragraph D (i) above, the Corporation has the right and option at any time prior to the Mandatory Redemption Date to purchase, redeem or otherwise acquire any or all Series A Preferred Shares for a purchase price equal to $1.00 per share plus accumulated and unpaid dividends on such

share through the date of repurchase or redemption, which purchase price shall be payable in cash.

(iii) Effect of Redemption. Upon redemption of the Series A Preferred Shares in accordance with Article III, D., such Series A Preferred Shares shall no longer be authorized for reissuance.

E. Voting Rights. The holders of Series A Preferred Shares shall have no voting rights, except such rights, if any, as cannot legally be denied to them or relinquished by them.

2. Article VIII is hereby added in its entirety:

The Board of Directors may cause the Corporation to issue Preferred shares in one or more series, each series to bear a distinctive designation and to have such relative rights and preferences as shall be prescribed by resolution of the Board. Such resolutions, when filed, shall constitute amendments to these Articles of Incorporation.

3. Article IX is hereby added in its entirety:

The business and affairs of the corporation shall be managed by or under the direction of a Board of Directors consisting of not less than 3 or more than 15 directors, the exact number of directors to be determined from time to time solely by a resolution adopted by an affirmative vote of a majority of the entire Board of Directors. The directors shall be divided into three classes, designated Class I, Class II and Class III. Each class shall consist, as nearly as may be possible, of one-third of the total number of directors constituting the entire Board of Directors. The term of office of one class shall expire each year. At each annual meeting of stockholders, the successors to the class of directors whose term shall then expire shall be elected to hold office for a term expiring on the third succeeding annual meeting.

If the number of directors is changed, any increase or decrease shall be apportioned among the classes of directors so as to maintain the number of directors in each class as nearly equal as possible, but in no case will a decrease in the number of directors shorten the term of any incumbent director. When the number of directors is increased by the Board of Directors and any newly created directorships are filled by the Board, the additional directors shall be classified as provided by the Board.

A director shall hold office until the meeting for the year in which his or her term expires and until his or her successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement, disqualification or removal from office. Newly created directorships resulting from an increase in the number of directors and any vacancy on the Board of Directors may be filled only

by the Board by an affirmative vote of a majority of the directors then in office. If the number of directors then in office is less than a quorum, such newly created directorships and vacancies may be filled by a majority of the directors then in office, although less than a quorum, or by the sole remaining director. A director elected by the Board of Directors to fill a vacancy shall hold office until the next election of the class for which the director shall have been chosen and until his or her successor shall be elected and shall qualify. A director or the entire Board of Directors may be removed only for cause.

Notwithstanding the foregoing, whenever the holders of any one or more classes of preferred stock or series thereof issued by the Company shall have the right, voting separately by class or series, to elect directors at an annual or special meeting of shareholders, the election, term of office, filling of vacancies and other features of such directorship shall be governed by the terms of these Articles of Incorporation applicable thereto, except that such directors so elected shall not be divided into classes pursuant to this Article.

This Article IX may not be amended by less than unanimous written consent of shareholders, and may only be amended by the affirmative vote of a majority of the shares entitled to vote thereon, in addition to the vote otherwise required by the Michigan Business Corporation Act.

4. Article X is hereby added in its entirety:

No action by written consent of holders of less than all the outstanding shares entitled to vote on such action shall be effective unless the proposed action shall have been approved by the Board of Directors before the consent of shareholders is executed.

5. Article XI is hereby added in its entirety:

Pursuant to Section 784(1)(b) of the Michigan Business Corporation Act, the Corporation elects not to be governed by Chapter 7A of the Michigan Business Corporation Act, being Sections 775 through 784 of the Michigan Business Corporation Act; provided that the Corporation's Board of Directors may terminate this election in whole or in part by action of a majority of directors then in office.

EXHIBIT 3(ii)

BYLAWS

OF

ROCKWELL MEDICAL TECHNOLOGIES, INC.,
a Michigan corporation

BYLAWS

OF

ROCKWELL MEDICAL TECHNOLOGIES, INC.,
a Michigan corporation

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ROCKWELL MEDICAL TECHNOLOGIES, INC.

ARTICLE I

OFFICES

1.1 Registered Office. The registered office of the Corporation shall be located at such place in Michigan as the Board of Directors from time to time determines.

1.2 Other Offices. The Corporation may also have offices or branches at such other places as the Board of Directors from time to time determines or the business of the Corporation requires.

ARTICLE II

MEETINGS OF SHAREHOLDERS

2.1 Time and Place. All meetings of the shareholders shall be held at such place and time as the Board of Directors determines.

2.2 Annual Meetings. An annual meeting of shareholders shall be held on a date, not later than 180 days after the end of the immediately preceding fiscal year, to be determined by the Board of Directors. At the annual meeting, the shareholders shall elect directors and transact such other business as is properly brought before the meeting and described in the notice of meeting. If the annual meeting is not held on its designated date, the Board of Directors shall cause it to be held as soon thereafter as convenient.

2.3 Special Meetings. Special meetings of the shareholders, for any purpose, (a) may be called by the Corporation's chief executive officer or the Board of Directors, and (b) shall be called by the President or Secretary upon written request (stating the purpose for which the meeting is to be called) of the holders of a majority of all the shares entitled to vote at the meeting.

2.4 Notice of Meetings. Written notice of each shareholders' meeting, stating the place, date and time of the meeting and the purposes for which the meeting is called, shall be given (in the manner described in Section 5.1 below) not less than 10 nor more than 60 days before the date of the meeting to each shareholder of record entitled to vote at the meeting. Notice of adjourned meetings is governed by Section 2.7 below.

2.5 Advance Notice Requirements for Stockholder Proposals and Director Nominees. At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting business must be (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors in accordance with Section 2.4 above, (b) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (c)

otherwise properly brought before the meeting by a stockholder. For business to be properly brought before an annual meeting by a stockholder, or for a stockholder to nominate candidates for election as directors at an annual or special meeting of the stockholders, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation. To be timely, a stockholder's notice must be delivered, mailed and received at the principal executive offices of the Corporation, (a) in the case of an annual meeting that is called for a date that is within 30 days before or after the anniversary date of the immediately preceding annual meeting of stockholders, not less than 60 days nor more than 90 days prior to such anniversary date, and (b) in the case of an annual meeting that is not called for a date that is within 30 days before or after the anniversary date of the immediately preceding annual meeting, or in the case of a special meeting of the stockholders called for the purpose of electing directors, not later than the close of business on the tenth day following the day on which notice of the date of the meeting was mailed or public disclosure of the date of the meeting was made, whichever occurs first. A stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting (a) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (b) the name and address, as they appear on the Corporation's books, of the stockholder proposing such business, (c) the class and number of shares of the Corporation which are beneficially owned by the stockholder, and (d) any material interest of the stockholder in such business. Notwithstanding anything in the Bylaws to the contrary, no business shall be conducted at any annual meeting or special meeting called for the purpose of electing directors except in accordance with the procedures set forth in this Section 2.5. The Chairman of the annual meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting and in accordance with the provisions of this Section 2.5, and if he or she should so determine, he or she shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

2.6 List of Shareholders. The officer or agent who has charge of the stock transfer books for shares of the Corporation shall make and certify a complete list of the shareholders entitled to vote at a shareholders' meeting or any adjournment of the meeting. The list shall be arranged alphabetically within each class and series and shall show the address of, and the number of shares held by, each shareholder. The list shall be produced at the time and place of the meeting and may be inspected by any shareholder at any time during the meeting.

2.7 Quorum; Adjournment. At all shareholders' meetings, the shareholders present in person or represented by proxy who, as of the record date for the meeting, were holders of shares entitled to cast a majority of the votes at the meeting, shall constitute a quorum. Once a quorum is present at a meeting, all shareholders present in person or represented by proxy at the meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum. Regardless of whether a quorum is present, a shareholders' meeting may be adjourned to another time and place by a vote of the shares present in person or by proxy without notice other than announcement at the meeting; provided, that (a) only such business may be transacted at the adjourned meeting as might have been transacted at the original meeting and (b) if the adjournment is for more than 60 days or if after

the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting must be given to each shareholder of record entitled to vote at the meeting.

2.8 Voting. Each shareholder shall at every meeting of the shareholders be entitled to one vote in person or by proxy for each share having voting power held by such shareholder and on each matter submitted to a vote. A vote may be cast either orally or in writing. When an action, other than the election of directors, is to be taken by vote of the shareholders, it shall be authorized by a majority of the votes cast by the holders of shares entitled to vote on such action. Directors shall be elected by a plurality of the votes cast at any election.

2.9 Proxies. A shareholder entitled to vote at a meeting of shareholders or to express consent or dissent without a meeting may authorize other persons to act for him or her by proxy. Each proxy shall be in writing and signed by the shareholder or the shareholder's authorized agent or representative. A proxy is not valid after the expiration of three years after its date unless otherwise provided in the proxy.

2.10 Questions Concerning Elections. The Board of Directors may, in advance of the meeting, or the presiding officer may, at the meeting, appoint one or more inspectors to act at a shareholders' meeting or any adjournment thereof. If appointed, the inspectors shall determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine challenges and questions arising in connection with the right to vote, count and tabulate votes, ballots or consents, determine the result, and do such acts as are proper to conduct the election or vote with fairness to all shareholders.

2.11 Telephonic Attendance. Shareholders may participate in any shareholders' meeting by means of conference telephone or similar communications equipment through which all persons participating in the meeting may communicate with the other participants. All participants shall be advised of the communications equipment and the names of the participants in the conference shall be divulged to all participants. Participation in a meeting pursuant to this Section 2.10 constitutes presence in person at such meeting.

2.12 Action by Written Consent. To the extent permitted by the Articles of Incorporation or applicable law, any action required or permitted to be taken at any shareholders' meeting may be taken without a meeting, prior notice and a vote, by written consent of shareholders. No action by written consent of holders of less than all the outstanding shares entitled to vote on such action shall be effective unless the proposed action shall have been approved by the Board of Directors before the consent of shareholders is executed.

ARTICLE III

DIRECTORS

3.1 Number and Residence. The business and affairs of the Corporation shall be managed by or under the direction of a Board of Directors consisting of not less than three nor more than fifteen members. The number of directors shall be determined from time to time by a resolution adopted by an affirmative vote of the entire Board of Directors. Directors need not be Michigan residents or shareholders of the Corporation.

3.2 Classes, Election and Term. The directors shall be divided into three classes, designated Class I, Class II and Class III. Each class shall consist, as nearly as may be possible, of one-third of the total number of directors constituting the entire Board of Directors. When this Section 3.2 becomes first effective, the term of office of Class I directors shall end on the first annual stockholders' meeting after their election; the term of office of Class II directors shall end on the second annual stockholders' meeting after their election; and the term of office of Class III directors shall end on the third annual stockholders' meeting after their election. At each annual meeting thereafter, a number of directors equal to the number of the class whose term expires at the time of the meeting shall be elected to hold office for a term that shall expire on the third succeeding annual meeting.

If the number of directors is changed, any increase or decrease shall be apportioned among the classes of directors so as to maintain the number of directors in each class as nearly equal as possible, but in no case will a decrease in the number of directors shorten the term of any incumbent director. When the number of directors is increased by the Board of Directors and any newly created directorships are filled by the Board, the additional directors shall be classified as provided by the Board of Directors.

Notwithstanding the foregoing, whenever the holders of any one or more classes of preferred stock or series thereof issued by the Corporation shall have the right, voting separately by class or series, to elect directors at an annual or special meeting of shareholders, the election, term of office, filling of vacancies and other features of such directorship shall be governed by the terms of these Bylaws applicable thereto, except that such directors so elected shall not be divided into classes pursuant to this Article.

3.3 Resignation. A director may resign by written notice to the Corporation. A director's resignation is effective upon its receipt by the Corporation or a later time set forth in the notice of resignation.

3.4 Removal. One or more directors may be removed only for cause by vote of the holders of a majority of the shares entitled to vote at an election of directors.

3.5 Vacancies. A director shall hold office until the meeting for the year in which his or her term expires and until his or her successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement, disqualification or removal from office.

Vacancies, including vacancies resulting from an increase in the number of directors, may be filled by the Board of Directors, by the affirmative vote of a majority of all the directors remaining in office. If the number of directors then in office is less than a quorum, such newly created directorships and vacancies may be filled by a majority of the directors then in office, although less than a quorum, or by the sole remaining director. A director elected by the Board of Directors to fill a vacancy shall hold office until the next election of the class for which the director shall have been chosen and until his or her successor shall be elected and shall qualify.

3.6 Place of Meetings. The Board of Directors may hold meetings at any location. The location of annual and regular Board of Directors' meetings shall be determined by the Board and the location of special meetings shall be determined by the person calling the meeting.

3.7 Annual Meetings. Each newly elected Board of Directors may meet promptly after the annual shareholders' meeting for the purposes of electing officers and transacting such other business as may properly come before the meeting. No notice of the annual directors' meeting shall be necessary to the newly elected directors in order to legally constitute the meeting, provided a quorum is present.

3.8 Regular Meetings. Regular meetings of the Board of Directors or Board committees may be held without notice at such places and times as the Board or committee determines at least 30 days before the date of the meeting.

3.9 Special Meetings. Special meetings of the Board of Directors may be called by the chief executive officer, and shall be called by the President or Secretary upon the written request of two directors, on two days notice to each director or committee member by mail or 24 hours notice by any other means provided in Section 5.1. The notice must specify the place, date and time of the special meeting, but need not specify the business to be transacted at, nor the purpose of, the meeting. Special meetings of Board committees may be called by the Chairperson of the committee or a majority of committee members pursuant to this Section 3.9.

3.10 Quorum. At all meetings of the Board or a Board committee, a majority of the directors then in office, or of members of such committee, constitutes a quorum for transaction of business, unless a higher number is otherwise required by the Articles of Incorporation, these Bylaws or the Board resolution establishing such Board committee. If a quorum is not present at any Board or Board committee meeting, a majority of the directors present at the meeting may adjourn the meeting to another time and place without notice other than announcement at the meeting. Any business may be transacted at the adjourned meeting which might have been transacted at the original meeting, provided a quorum is present.

3.11 Voting. The vote of a majority of the members present at any Board or Board committee meeting at which a quorum is present constitutes the action of the Board of Directors or of the Board committee, unless a higher vote is otherwise required by the Michigan Business Corporation Act, the Articles of Incorporation, these Bylaws, or the Board resolution establishing the Board committee.

3.12 Telephonic Participation. Members of the Board of Directors or any Board committee may participate in a Board or Board committee meeting by means of conference telephone or similar communications equipment through which all persons participating in the meeting can communicate with each other. Participation in a meeting pursuant to this Section 3.12 constitutes presence in person at such meeting.

3.13 Action by Written Consent. Any action required or permitted to be taken under authorization voted at a Board or Board committee meeting may be taken without a meeting if, before or after the action, all members of the Board then in office or of the Board committee consent to the action in writing. Such consents shall be filed with the minutes of the proceedings of the Board or committee and shall have the same effect as a vote of the Board or committee for all purposes.

3.14 Additional Committees. The Board of Directors may, by resolution passed by a majority of the directors then in office, designate one or more committees, each consisting of one or more directors. The Board may designate one or more directors as alternate members of a committee, who may replace an absent or disqualified member at a committee meeting. In the absence or disqualification of a member of a committee, the committee members present and not disqualified from voting, regardless of whether they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of such absent or disqualified member. Any committee, to the extent provided in the resolution of the Board, may exercise all powers and authority of the Board of Directors in management of the business and affairs of the Corporation, except a committee does not have power or authority to:

(a) Amend the Articles of Incorporation.

(b) Adopt an agreement of merger or share exchange.

(c) Recommend to shareholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets.

(d) Recommend to shareholders a dissolution of the Corporation or a revocation of a dissolution.

(e) Amend the Bylaws of the Corporation.

(f) Unless the resolution designating the committee or a later Board of Director's resolution expressly so provides, declare a distribution or dividend or authorize the issuance of shares.

Each committee and its members shall serve at the pleasure of the Board, which may at any time change the members and powers of, or discharge, the committee. Each committee shall keep regular minutes of its meetings and report them to the Board of Directors when required.

3.15 Compensation. The Board, by affirmative vote of a majority of directors in office and irrespective of any personal interest of any of them, may establish reasonable compensation of directors for services to the Corporation as directors, officers or members of a Board committee. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation for such service.

3.16 Amendment. This Article III may not be amended by less than unanimous written consent of shareholders, and may only be amended by the affirmative vote of a majority of the shares entitled to vote thereon, in addition to the vote otherwise required by the Michigan Business Corporation Act.

ARTICLE IV

OFFICERS

4.1 Officers and Agents. The Board of Directors, at its first meeting after each annual meeting of shareholders, shall elect a President, a Secretary and a Treasurer, and may also elect and designate as officers a Chairperson of the Board, a Vice Chairperson of the Board and one or more Executive Vice Presidents, Vice Presidents, Assistant Vice Presidents, Assistant Secretaries and Assistant Treasurers. The Board of Directors may also from time to time appoint, or delegate authority to the Corporation's chief executive officer to appoint, such other officers and agents as it deems advisable. Any number of offices may be held by the same person, but an officer shall not execute, acknowledge or verify an instrument in more than one capacity if the instrument is required by law to be executed, acknowledged or verified by two or more officers. An officer has such authority and shall perform such duties in the management of the Corporation as provided in these Bylaws, or as may be determined by resolution of the Board of Directors not inconsistent with these Bylaws, and as generally pertain to their offices, subject to the control of the Board of Directors.

4.2 Compensation. The compensation of all officers of the Corporation shall be fixed by the Board of Directors.

4.3 Term. Each officer of the Corporation shall hold office for the term for which he or she is elected or appointed and until his or her successor is elected or appointed and qualified, or until his or her resignation or removal. The election or appointment of an officer does not, by itself, create contract rights.

4.4 Removal. An officer elected or appointed by the Board of Directors may be removed by the Board of Directors with or without cause. The removal of an officer shall be without prejudice to his or her contract rights, if any.

4.5 Resignation. An officer may resign by written notice to the Corporation. The resignation is effective upon its receipt by the Corporation or at a subsequent time specified in the notice of resignation.

4.6 Vacancies. Any vacancy occurring in any office of the Corporation shall be filled by the Board of Directors.

4.7 Chairperson of the Board. The Chairperson of the Board, if such office is filled, shall be a director and shall preside at all shareholders' and Board of Directors' meetings.

4.8 Chief Executive Officer. The Chairperson of the Board, if any, or the President, as designated by the Board, shall be the chief executive officer of the Corporation and shall have the general powers of supervision and management of the business and affairs of the Corporation usually vested in the chief executive officer of a corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect. If no designation of chief executive officer is made, or if there is no Chairperson of the Board, the President shall be the chief executive officer. The chief executive officer may delegate to the other officers such of his or her authority and duties at such time and in such manner as he or she deems advisable.

4.9 President. If the office of Chairperson of the Board is not filled, the President shall perform the duties and execute the authority of the Chairperson of the Board. If the Chairperson of the Board is designated by the Board as the Corporation's chief executive officer, the President shall be the chief operating officer of the Corporation, shall assist the Chairperson of the Board in the supervision and management of the business and affairs of the Corporation and, in the absence of the Chairperson of the Board, shall preside at all shareholders' and Board of Directors' meetings. The President may delegate to the officers other than the Chairperson of the Board, if any, such of his or her authority and duties at such time and in such manner as he or she deems appropriate.

4.10 Executive Vice Presidents and Vice Presidents. The Executive Vice Presidents and Vice Presidents shall assist and act under the direction of the Corporation's chief executive officer, unless otherwise determined by the Board of Directors or the chief executive officer. The Board of Directors may designate one or more Executive Vice Presidents and may grant other Vice Presidents titles which describe their functions or specify their order of seniority. In the absence or disability of the President, the authority of the President shall descend to the Executive Vice Presidents or, if there are none, to the Vice Presidents in the order of seniority indicated by their titles or otherwise specified by the Board. If not specified by their titles or the Board, the authority of the President shall descend to the Executive Vice Presidents or, if there are none, to the Vice Presidents, in the order of their seniority in such office.

4.11 Secretary. The Secretary shall act under the direction of the Corporation's chief executive officer and President. The Secretary shall attend all shareholders' and Board of Directors' meetings, record minutes of the proceedings and maintain the minutes and all documents evidencing corporate action taken by written consent of the shareholders and Board of Directors in the Corporation's minute books. The Secretary shall perform these duties for Board committees when required. The Secretary shall see to it that all notices of shareholders' meetings and special Board of Directors' meetings are duly given in accordance with applicable law, the Articles of Incorporation and these Bylaws. The Secretary shall have custody of the Corporation's seal and, when authorized by the Corporation's chief executive officer, President

or the Board of Directors, shall affix the seal to any instrument requiring it and attest such instrument.

4.12 Treasurer. The Treasurer shall act under the direction of the Corporation's chief executive officer and President. The Treasurer shall have custody of the corporate funds and securities and shall keep full and accurate accounts of the Corporation's assets, liabilities, receipts and disbursements in books belonging to the Corporation. The Treasurer shall deposit all moneys and other valuables in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Corporation's chief executive officer, the President or the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Corporation's chief executive officer, the President and the Board of Directors (at its regular meetings or whenever they request it) an account of all his or her transactions as Treasurer and of the financial condition of the Corporation. If required by the Board of Directors, the Treasurer shall give the Corporation a bond for the faithful discharge of his or her duties in such amount and with such surety as the Board prescribes.

4.13 Assistant Vice Presidents, Secretaries and Treasurers. The Assistant Vice Presidents, Assistant Secretaries and Assistant Treasurers, if any, shall act under the direction of the Corporation's chief executive officer, the President and the officer they assist. In the order of their seniority, the Assistant Secretaries shall, in the absence or disability of the Secretary, perform the duties and exercise the authority of the Secretary. The Assistant Treasurers, in the order of their seniority, shall, in the absence or disability of the Treasurer, perform the duties and exercise the authority of the Treasurer.

4.14 Execution of Contracts and Instruments. The Board of Directors may designate an officer or agent with authority to execute any contract or other instrument on the Corporation's behalf; the Board may also ratify or confirm any such execution. If the Board authorizes, ratifies or confirms the execution of a contract or instrument without specifying the authorized executing officer or agent, the Corporation's chief executive officer, the President, any Executive Vice President or Vice President or the Treasurer may execute the contract or instrument in the name and on behalf of the Corporation and may affix the corporate seal to such document or instrument.

4.15 Voting of Shares and Securities of Other Corporations and Entities. Unless the Board of Directors otherwise directs, the Corporation's chief executive officer shall be entitled to vote or designate a proxy to vote all shares and other securities which the Corporation owns in any other corporation or entity.

ARTICLE V

NOTICES AND WAIVERS OF NOTICE

5.1 Delivery of Notices. All written notices to shareholders, directors and Board committee members shall be given personally or by mail (registered, certified or other first class mail, with postage pre-paid), addressed to such person at the address designated by him or her for that purpose or, if none is designated, at his or her last known address. Written notices to directors or Board committee members may also be delivered at his or her office on the Corporation's premises, if any, or by overnight carrier, telegram, telex, telecopy, radiogram, cablegram, facsimile, computer transmission or similar form of communication, addressed to the address referred to in the preceding sentence. Notices given pursuant to this Section 5.1 shall be deemed to be given when dispatched, or, if mailed, when deposited in a post office or official depository under the exclusive care and custody of the United States postal service. Notices given by overnight carrier shall be deemed "dispatched" at 9:00 a.m. on the day the overnight carrier is reasonably requested to deliver the notice. The Corporation shall have no duty to change the written address of any director, Board committee member or shareholder unless the Secretary receives written notice of such address change.

5.2 Waiver of Notice. Action may be taken without a required notice and without lapse of a prescribed period of time, if at any time before or after the action is completed the person entitled to notice or to participate in the action to be taken or, in the case of a shareholder, his or her attorney-in-fact, submits a signed waiver of the requirements, or if such requirements are waived in such other manner permitted by applicable law. Neither the business to be transacted at, nor the purpose of, the meeting need be specified in the written waiver of notice. Attendance at any shareholders' meeting (in person or by proxy) will result in both of the following:

(a) Waiver of objection to lack of notice or defective notice of the meeting, unless the shareholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting.

(b) Waiver of objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the shareholder objects to considering the matter when it is presented.

A director's attendance at or participation in any Board or Board committee meeting waives any required notice to him or her of the meeting unless he or she, at the beginning of the meeting or upon his or her arrival, objects to the meeting or the transacting of business at the meeting and does not thereafter vote for or assent to any action taken at the meeting.

ARTICLE VI

SHARE CERTIFICATES AND SHAREHOLDERS OF RECORD

6.1 Certificates for Shares. The shares of the Corporation shall be represented by certificates signed by the Chairperson of the Board, Vice-chairperson of the Board, President or a Vice-president. The certificates also may be signed by another officer of the Corporation. The officers' signatures may be facsimiles if the certificate is countersigned by a transfer agent or registered by a registrar other than the Corporation or its employee. If any officer who has signed or whose facsimile signature has been placed upon a certificate ceases to be such officer before the certificate is issued, it may be issued by the Corporation with the same effect as if the person were such officer at the date of issue.

6.2 Lost or Destroyed Certificates. The Board of Directors may direct or authorize an officer to direct that a new certificate for shares be issued in place of any certificate alleged to have been lost or destroyed. When authorizing such issue of a new certificate, the Board of Directors or officer may, in its discretion and as a condition precedent to the issuance thereof, require the owner (or the owner's legal representative) of such lost or destroyed certificate to give the Corporation an affidavit claiming that the certificate is lost or destroyed or a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to such old or new certificate.

6.3 Transfer of Shares. Shares of the Corporation are transferable only on the Corporation's stock transfer books upon surrender to the Corporation or its transfer agent of a certificate for the shares, duly endorsed for transfer, and the presentation of such evidence of ownership and validity of the transfer as the Corporation requires.

6.4 Record Date. The Board of Directors may fix, in advance, a date as the record date for determining shareholders for any purpose, including determining shareholders entitled to (a) notice of, and to vote at, any shareholders' meeting or any adjournment of such meeting; (b) express consent to, or dissent from, a proposal without a meeting; or (c) receive payment of a share dividend or distribution or allotment of a right. The record date shall not be more than 60 nor less than 10 days before the date of the meeting, nor more than 10 days after the Board resolution fixing a record date for determining shareholders entitled to express consent to, or dissent from, a proposal without a meeting, nor more than 60 days before any other action.

If a record date is not fixed:

(a) the record date for determining the shareholders entitled to notice of, or to vote at, a shareholders' meeting shall be the close of business on the day next preceding the day on which notice of the meeting is given, or, if no notice is given, the close of business on the day next preceding the day on which the meeting is held; and

(b) if prior action by the Board of Directors is not required with respect to the corporate action to be taken without a meeting, the record date for determining shareholders entitled to express consent to, or dissent from, a proposal without a meeting, shall be the first date on which a signed written consent is properly delivered to the Corporation; and

(c) the record date for determining shareholders for any other purpose shall be the close of business on the day on which the resolution of the Board of Directors relating to the action is adopted.

A determination of shareholders of record entitled to notice of, or to vote at, a shareholders' meeting shall apply to any adjournment of the meeting, unless the Board of Directors fixes a new record date for the adjourned meeting.

Only shareholders of record on the record date shall be entitled to notice of, or to participate in, the action to which the record date relates, notwithstanding any transfer of shares on the Corporation's books after the record date. This Section 6.4 shall not affect the rights of a shareholder and the shareholder's transferor or transferee as between themselves.

6.5 Registered Shareholders. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of a share for all purposes, including notices, voting, consents, dividends and distributions, and shall not be bound to recognize any other person's equitable or other claim to interest in such share, regardless of whether it has actual or constructive notice of such claim or interest.

ARTICLE VII

INDEMNIFICATION

The Corporation shall, to the fullest extent authorized or permitted by the Michigan Business Corporation Act, (a) indemnify any person, and his or her heirs, personal representatives, executors, administrators and legal representatives, who was, is, or is threatened to be made, a party to any threatened, pending or completed action, suit or proceeding (whether civil, criminal, administrative or investigative) by reason of the fact that such person is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise (collectively, "Covered Matters"); and (b) pay or reimburse the reasonable expenses incurred by such person and his or her heirs, executors, administrators and legal representatives in connection with any Covered Matter in advance of final disposition of such Covered Matter. The Corporation may provide such other indemnification to directors, officers, employees and agents by insurance, contract or otherwise as is permitted by law and authorized by the Board of Directors.

ARTICLE VIII

GENERAL PROVISIONS

8.1 Checks and Funds. All checks, drafts or demands for money and notes of the Corporation must be signed by such officer or officers or such other person or persons as the Board of Directors from time to time designates. All funds of the Corporation not otherwise employed shall be deposited or used as the Board of Directors from time to time designates.

8.2 Fiscal Year. The fiscal year of the Corporation shall end on such date as the Board of Directors from time to time determines.

8.3 Corporate Seal. The Board of Directors may adopt a corporate seal for the Corporation. The corporate seal, if adopted, shall be circular and contain the name of the Corporation and the words "Corporate Seal Michigan". The seal may be used by causing it or a facsimile of it to be impressed, affixed, reproduced or otherwise.

8.4 Books and Records. The Corporation shall keep within or outside of Michigan books and records of account and minutes of the proceedings of its shareholders, Board of Directors and Board committees, if any. The Corporation shall keep at its registered office or at the office of its transfer agent within or outside of Michigan records containing the names and addresses of all shareholders, the number, class and series of shares held by each and the dates when they respectively became recordholders of shares. Any of such books, records or minutes may be in written form or in any other form capable of being converted into written form within a reasonable time.

8.5 Financial Statements. The Corporation shall cause to be made and distributed to its shareholders, within four months after the end of each fiscal year, a financial report (including a statement of income, year-end balance sheet, and, if prepared by the Corporation, its statement of sources and application of funds) covering the preceding fiscal year of the Corporation.

8.6 Application of Chapter 7A of the Michigan Business Corporation Act. Pursuant to Section 784(1)(b) of the Michigan Business Corporation Act, the Corporation elects not to be governed by Chapter 7A of the Michigan Business Corporation Act, being Sections 775 through 784 of the Michigan Business Corporation Act; provided that the Corporation's Board of Directors may terminate this election in whole or in part by action of a majority of directors then in office.

ARTICLE IX

AMENDMENTS

These Bylaws may be amended or repealed, or new Bylaws may be adopted, by action of either the shareholders or a majority of the Board of Directors then in office. The Articles of

Incorporation or these Bylaws may from time to time specify particular provisions of the Bylaws which may not be altered or repealed by the Board of Directors.

ARTICLE X

SCOPE OF BYLAWS

These Bylaws govern the regulation and management of the affairs of the Corporation to the extent that they are consistent with applicable law and the Articles of Incorporation; to the extent they are not consistent, applicable law and the Articles of Incorporation shall govern.

EXHIBIT 4.2

UPO-1 UNDERWRITER'S UNIT PURCHASE OPTION

Dated: _____, 1997

THIS CERTIFIES THAT _____ is entitled to purchase from ROCKWELL MEDICAL TECHNOLOGIES, INC., a Michigan corporation (the "Company"), _____Units at a purchase price of $_____ per Unit (the "Exercise Price"), subject to adjustment as provided in paragraph 8 hereof, at any time during the four-year period commencing one (1) year from the date hereof. Each Unit consists of one (1) share of the Company's common stock, no par value per share (the "Common Stock") and two (2) Class A redeemable common stock purchase warrants (the "Warrants"), each Warrant exercisable to purchase one share of Common Stock at an initial exercise price of $4.50 per share (the "Redeemable Warrant Exercise Price"). This Underwriter's Warrant (the "Underwriter's Warrant") is one of a series of Underwriter's Warrants to purchase, in the aggregate, up to 150,000 Units issued pursuant to an Underwriting Agreement dated _____, 1997, among the Company and Maidstone Financial, Inc. (the "Underwriter"), in connection with a public offering, through the Underwriter, of 1,500,000 Units as therein described (and up to 225,000 additional Units covered by an over-allotment option granted by the Company to the Underwriter, hereinafter referred to together with the 1,500,000 Units, as the "Public Units") and in consideration of $10.00 received by the Company for the Underwriter's Warrants. Each Public Unit consists of one share of Common Stock and two redeemable common stock purchase warrants each to purchase one share of common stock (the "Public Warrants"). Except as specifically otherwise provided herein, the Units, as well as the shares of Common Stock and Redeemable Warrants included in the Units issuable pursuant to the Underwriter's Warrant shall have the same terms and conditions as the Public Units, the Common Stock and the Public Warrants, respectively, as described under the caption "Description of Securities" in the Company's Registration Statement on Form SB-2, File No. 33-_____ (the "Registration Statement"), except that the Holders shall have registration rights under the Securities Act of 1933, as amended (the "Act"), for the Underwriter's Warrant, the Common Stock and Redeemable Warrants included in the Units, and the Common Stock purchasable upon exercise of the Redeemable Warrants, as more fully described in paragraph 6 herein.

1. The rights represented by the Underwriter's Warrant shall be exercised at the price, subject to adjustment in accordance with paragraph 8 hereof, and during the periods as follows:

(a) During the period from the date hereof to _____, 1998 (the "First Anniversary Date"), inclusive, the Holders shall have no right to purchase any Units hereunder, except that in the event of any merger, consolidation or sale of substantially all the assets of the Company as an entirety prior to the First Anniversary Date, the Holders shall have the right to exercise the Underwriter's Warrant at such time and into the kind and amount of shares of stock and other securities and property (including cash) receivable by a holder of the number of shares of Common Stock and Redeemable Warrants into which the Underwriter's Warrant might have been exercisable immediately prior thereto.

(b) Between _____, 1998 and _____, 2002 (the "Expiration Date") inclusive, the Holders shall have the option to purchase Units hereunder at a price of $5.04 per Unit (120% of the initial public offering price), subject to adjustment as provided in paragraph 8 hereof.

(c) After the Expiration Date, the Holders shall have no right to purchase any Units hereunder.

2. (a) The rights represented by the Underwriter's Warrant may be exercised at any time within the periods above specified, in whole or in part, by (i) the surrender of the Underwriter's Warrant (with the purchase form at the end hereof properly executed) at the principal executive office of the Company (or such other office or agency of the Company as it may designate by notice in writing to the Holders at the addresses of the Holders appearing on the books of the Company); (ii) payment to the Company of the exercise price then in effect for the number of Units specified in the above-mentioned purchase form together with applicable stock transfer taxes, if any; and (iii) delivery to the Company of a duly executed agreement signed by the person(s) designated in the purchase form to the effect that such person(s) agree(s) to be bound by the provisions of paragraph 6 and subparagraphs (b), (c) and (d) of paragraph 7 hereof. The Underwriter's Warrant shall be deemed to have been exercised, in whole or in part to the extent specified, immediately prior to the close of business on the date the Underwriter's Warrant is surrendered and payment is made in accordance with the foregoing provisions of this paragraph 2, and the person or persons in whose name or names the certificates for shares of Common Stock and Redeemable Warrants shall be issuable upon such exercise shall become the holder or holders of record of such Common Stock and Redeemable Warrants at that time and date. Certificates representing the Common Stock and Redeemable Warrants so purchased shall be delivered to the Holders within a reasonable time, not exceeding ten (10) days, after the rights represented by this Warrant shall have been so exercised.

(b) Notwithstanding anything to the contrary contained in subparagraph (a) of paragraph 2, the Holders may elect to exercise this Underwriter's Warrant in whole or in part by receiving Units equal to the value (as determined below) of this Underwriter's Warrant at the principal office of the Company together with notice of such election in which event the Company shall issue to the Holders a number of Units computed using the following formula:

$$X = \frac{Y(A-B)}{A}$$

Where: X = the number of Units to be issued to the Holders;

Y = the number of Units to be exercised under this Underwriter's Warrant;

A = the current fair market value of one share of Common Stock (calculated as described below); and

B = the Exercise Price.

As used herein, the current fair market value of Common Stock shall mean the greater of (x) the average of the closing prices of the Company's Common Stock sold on all securities exchanges on which the Common Stock may at the time be listed and the NASDAQ National Market, or, if there have been no sales on any such exchange or the NASDAQ National Market on such day, the average of the highest bid and lowest asked price on such day on The Nasdaq SmallCap Market or otherwise in the domestic over-the-counter market as reported by the National Quotation Bureau, Incorporated, or any similar successor organization (the "Market Price"), on the trading day immediately preceding the date notice of exercise of this Underwriter's Warrant is given or (y) the average of the Market Price per share of Common Stock for the five trading days immediately preceding the date notice of exercise of this Underwriter's Warrant is given. If on any date for which the Market Price per share of Common Stock is to be determined the Common Stock is not listed on any securities exchange or quoted on the NASDAQ National Market or on The Nasdaq SmallCap Market or otherwise in the over-the-counter market, the Market Price per share of Common Stock shall be the highest price per share which the Company could then obtain from a willing buyer (not a current employee or director) for shares of Common Stock sold by the Company, from authorized but unissued shares, as determined in good faith by the Board of Directors of the Company, unless prior to such date the Company has become subject to a merger, acquisition or other consolidation pursuant to which the Company is not the surviving party, in which case the Market Price per share of Common Stock shall be deemed to be the value received by the holders of the Company's Common Stock for each share thereof pursuant to the Company's acquisition.

3. The Underwriter's Warrant and the securities issuable upon exercise thereof shall not be transferred, sold, assigned, or hypothecated for a period of one year commencing on the Effective Date except that it may be transferred to successors of the Holders, and may be assigned in whole or in part to any person who is an officer of either of the Holders or to any member of the selling group and/or the officers or partners thereof during such period. In the event that the Underwriter's Warrant is transferred after one year from the Effective Date, it must be exercised immediately upon such transfer and, if not exercised immediately upon transfer, the Underwriter's Warrant shall lapse. Any such assignment shall be effected by the Holders by (i) executing the form of assignment at the end hereof and (ii) surrendering the Underwriter's Warrant for cancellation at the office or agency of the Company referred to in paragraph 2 hereof, accompanied by a certificate (signed by an officer of each of the Holders if the Holders are corporations), stating that each transferee is a permitted transferee under this paragraph 3; whereupon the Company shall issue, in the name or names specified by the Holders (including the Holders) a new Underwriter's Warrant or Warrants of like tenor and representing in the aggregate rights to purchase the same number of Units (consisting of the same number of shares of Common Stock and Redeemable Warrants) as are purchasable hereunder.

4. The Company covenants and agrees that all shares of Common Stock which may be purchased hereunder or upon exercise of the Redeemable Warrants will, upon issuance against payment of the purchase price therefor, be duly and validly issued, fully paid and nonassessable, and no personal liability will attach to the holder thereof. The Company further

covenants and agrees that, during the periods within which the Underwriter's Warrant may be exercised, the Company will at all times have authorized and reserved a sufficient number of shares of its Common Stock to provide for the exercise of the Underwriter's Warrant and the Redeemable Warrants.

5. The Underwriter's Warrant shall not entitle the Holders to any voting rights or other rights as stockholders of the Company.

6. (a) (i) The Company shall advise the Holders or its transferees, whether the Holders hold the Underwriter's Warrant or have exercised the Underwriter's Warrant and hold shares of Common Stock and/or Redeemable Warrants by written notice at least four weeks prior to the filing of any post-effective amendment to the Registration Statement or of any new registration statement or post-effective amendment thereto under the Act covering any securities of the Company, for its own account or for the account of others, except for any registration statement filed on Form S-4 or S-8, and will, for a period of seven years from the Effective Date, upon the request of the Holders, and subject to subparagraph (a)(ii) of this paragraph 6, include in any such post-effective amendment to the Registration Statement or in any new registration statement such information as may be required to permit a public offering of the Underwriter's Warrant, the Common Stock issuable upon the exercise thereof or upon exercise of the Redeemable Warrants or the Redeemable Warrants (collectively, the "Registrable Securities"). The Company shall supply prospectuses and such other document as the Holders may reasonably request in order to facilitate the public sale or other disposition of the Registrable Securities, use its best efforts to register and qualify any of the Registrable Securities for sale in such states as such Holders designate and do any and all other acts and things which may be necessary or desirable to enable such Holders to consummate the public sale or other disposition of the Registrable Securities, all at no expense to the Holders or the Underwriter, and furnish indemnification in the manner provided in paragraph 7 hereof. The Holders shall furnish information and indemnification as set forth in paragraph 7.

(ii) If the registration of which the Company gives notice is for a registered public offering involving an underwriting, the Company shall so advise the Holders as a part of the written notice given pursuant to subparagraph (a)(i) of this paragraph 6. If the managing underwriter determines that a limitation of the number of shares to be underwritten is required, the underwriter may exclude some or all Registrable Securities from such registration (the "Excluded Registrable Securities"); provided, however, that no other security-holder may include any such securities in such Registration Statement if any of the Registrable Securities have been excluded from such registration; and further provided that the Company will file a new Registration Statement covering the Excluded Registrable Securities, at the Company's expense, within six months after the completion of such underwritten offering.

(b) If any 50% Holder (as defined below) shall give notice to the Company at any time to the effect that such Holder desires to register under the Act any or all of the Registrable Securities under such circumstances that a public distribution (within the meaning of the Act) of any such securities will be involved, then the Company will promptly, but no later than four weeks after receipt of such notice, file a post-effective amendment to the current Registration Statement or a new registration statement pursuant to the Act, so that such

designated Registrable Securities may be publicly sold under the Act as promptly as practicable thereafter and the Company will use its best efforts to cause such registration to become and remain effective (including the taking of such steps as are necessary to obtain the removal of any stop order) within 90 days after the receipt of such notice, provided, that such Holder shall furnish the Company with appropriate information in connection therewith as the Company may reasonably request in writing. The 50% Holder may, at its option, request the filing of a post-effective amendment to the current Registration Statement or a new registration statement under the Act on two occasions during the four-year period beginning one year from the Effective Date. The 50% Holder may, at its option, request the registration of the Underwriter's Warrant and/or any of the securities underlying the Underwriter's Warrant in a registration statement made by the Company as contemplated by subparagraph (a) of this paragraph 6 or in connection with a request made pursuant to this subparagraph (b) of paragraph 6 prior to acquisition of the shares of Common Stock and Redeemable Warrants issuable upon exercise of the Underwriter's Warrant. The 50% Holder may, at its option, request such post-effective amendment or new registration statement during the described period with respect to the Underwriter's Warrant, or separately as to the Common Stock and Redeemable Warrants issuable upon the exercise of the Underwriter's Warrant, and such registration rights may be exercised by the 50% Holder prior to or subsequent to the exercise of the Warrant. Within ten days after receiving any such notice pursuant to this subparagraph (b) of paragraph 6, the Company shall give notice to any other Holders of the Underwriter's Warrant, advising that the Company is proceeding with such post-effective amendment or registration statement and offering to include therein the securities underlying that part of the Warrant held by the other Holders, provided that they shall furnish the Company with such appropriate information (relating to the intentions of such Holders) in connection therewith as the Company shall reasonably request in writing. All costs and expenses of the first post-effective amendment or new registration statement shall be borne by the Company, except that the Holder(s) shall bear the fees of their own counsel and any underwriting discounts or commissions applicable to any of the securities sold by them. All costs and expenses of the second such post-effective amendment or new registration statement shall be borne by the Holder(s). The Company will maintain such registration statement or post-effective amendment current under the Act for a period of at least six months (and for up to an additional three months if requested by the Holder(s)) from the effective date thereof. The Company shall provide prospectuses, and such other documents as the Holder(s) may request in order to facilitate the public sale or other disposition of the Registrable Securities, use its best efforts to register and qualify any of the Registrable Securities for sale in such states as such Holder(s) designate and furnish indemnification in the manner provided in paragraph 7 hereof.

(c) The term "50% Holder" as used in this paragraph 6 shall mean the Holder(s) of at least 50% of the Underwriter's Warrant and/or the Common Stock underlying the Underwriter's Warrant and the Redeemable Warrants and shall include any owner or combination of owners of such securities, which ownership shall be calculated by determining the number of shares of Common Stock held by such owner or owners as well as the number of shares then issuable upon exercise of the Underwriter's Warrant and the Redeemable Warrants.

(d) If at any time prior to the effectiveness of the registration statement filed in connection with an offering pursuant to this paragraph 6 the 50% Holder shall determine not to proceed with the registration, upon notice to the Company and the payment to the Company by the 50% Holder of the Company's expenses, if any, theretofore incurred in connection with the registration statement, the 50% Holder may terminate its participation in the offering, and the registration statement previously filed shall not be counted against the number of demand registrations permitted under this paragraph 6. The 50% Holder need not pay to the Company its expenses incurred in connection with the registration statement, however, if such 50% Holder shall have determined not to proceed because of material adverse developments on the part of the Company of which such 50% Holder obtained knowledge subsequent to the giving to the Company of the written request to register Registrable Securities pursuant to this paragraph 6.

(e) Notwithstanding the foregoing, if the Company shall furnish to such 50% Holder a certificate signed by the President of the Company stating that in the good faith judgment of the Board of Directors it would be seriously detrimental to the Company or its stockholders for a registration statement to be filed in the near future containing the disclosure of material information required to be included therein by reason of the federal securities laws, then the Company's obligation to use its best efforts to file a registration statement shall be deferred for a period during which such disclosure would be seriously detrimental, provided that this period will not exceed 30 days and provided further, that the Company shall not defer its obligation in this matter more than once in any 12 month period.

7. (a) Whenever pursuant to paragraph 6 a registration statement relating to the Underwriter's Warrant or any Common Stock issued or issuable upon the exercise of the Underwriter's Warrant or the Redeemable Warrants, or any Redeemable Warrants is filed under the Act, amended or supplemented, the Company will indemnify and hold harmless each Holder of the securities covered by such registration statement, amendment or supplement (such Holder being hereinafter called the "Distributing Holder"), and each person, if any, who controls (within the meaning of the Act) the Distributing Holder, and each underwriter (within the meaning of the Act) of such securities and each person, if any, who controls (within the meaning of the Act) any such underwriter, against any losses, claims, damages or liabilities, joint or several, to which the Distributing Holder, any such controlling person or any such underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities, or actions in respect thereof, arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any such registration statement or any preliminary prospectus or final prospectus constituting a part thereof or any amendment or supplement thereto, or arise out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading and will reimburse the Distributing Holder or such controlling person or underwriter in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim,

damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in said registration statement, said preliminary prospectus, said final prospectus or said amendment or supplement in reliance upon and in conformity with written information furnished by such Distributing Holder or any other Distributing Holder for use in the preparation thereof.

(b) The Distributing Holder will indemnify and hold harmless the Company, each of its directors, each of its officers who have signed said registration statement and such amendments and supplements thereto, and each person, if any, who controls the Company (within the meaning of the Act) against any losses, claims, damages or liabilities, joint or several, to which the Company or any such director, officer or controlling person may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities, or actions in respect thereof, arise out of or are based upon any untrue or alleged untrue statement of any material fact contained in said registration statement, said preliminary prospectus, said final prospectus, or said amendment or supplement, or arises out of or are based upon the omission or the alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in said registration statement, said preliminary prospectus, said final prospectus or said amendment or supplement in reliance upon and in conformity with written information furnished by such Distributing Holder for use in the preparation thereof; and will reimburse the Company or any such director, officer or controlling person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action.

(c) Promptly after receipt by an indemnified party under this paragraph 7 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party, give the indemnifying party notice of the commencement thereof, but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under this paragraph 7.

(d) In case any such action is brought against any indemnified party, and it notified an indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate in and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party will not be liable to such indemnified party under this paragraph 7 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation.

8. The Exercise Price in effect at any time and the number and kind of securities purchasable upon the exercise of each Warrant shall be subject to adjustment from time to time upon the happening of certain events hereinafter described; provided, however, that no adjustment shall be required in respect of the Redeemable Warrants.

(a) In case the Company shall (i) declare a dividend or make a distribution on its outstanding shares of Common Stock in shares of Common Stock, (ii) subdivide or reclassify its outstanding shares of Common Stock into a greater number of shares, or (iii) combine or reclassify its outstanding shares of Common Stock into a smaller number of shares, or (iv) the outstanding shares of Common Stock of the Company are at any time changed into or exchanged for a different number or kind of shares or other security of the Company or of another corporation through reorganization, merger, consolidation, liquidation or recapitalization, then appropriate adjustments in the number and kind of such securities subject to this Warrant shall be made and the Exercise Price in effect at the time of the record date for such dividend or distribution or of the effective date of such subdivision, combination, reclassification, reorganization, merger, consolidation, liquidation or recapitalization shall be proportionately adjusted so that the Holders of this Warrant exercised after such date shall be entitled to receive the aggregate number and kind of securities which, if this Warrant had been exercised by such Holders immediately prior to such date, they would have owned upon such exercise and been entitled to receive upon such dividend, distribution, subdivision, combination, reclassification, reorganization, merger, consolidation, liquidation or recapitalization. For example, if the Company declares a 2 for 1 stock distribution and the Exercise Price immediately prior to such event was $5.04 per Unit [120% of the initial public offering price of the Public Units] and the number of Units purchasable upon exercise of this Warrant was 150,000, the adjusted Exercise Price immediately after such event would be $2.52 per Unit and the adjusted number of Units purchasable upon exercise of this Warrant would be 300,000. Such adjustment shall be made successively whenever any event listed above shall occur.

(b) In case the Company shall hereafter distribute without consideration to all holders of its Common Stock evidence of its indebtedness or assets (excluding cash dividends or distributions and dividends or distributions referred to in subparagraph (a) of this paragraph 8, or subscription rights or warrants, then in each such case the Exercise Price in effect thereafter shall be determined by multiplying the number of Units issuable upon exercise of the Underwriter's Warrant by the Exercise Price in effect immediately prior thereto, multiplied by a fraction, the numerator of which shall be the total number of shares of Common Stock then outstanding multiplied by the current Exercise Price, less the fair market value (as determined by the Company's Board of Directors) of said assets, or evidence of indebtedness so distributed or of such rights or warrants, and the denominator of which shall be the total number of shares of Common Stock outstanding multiplied by the current Exercise Price. Such adjustment shall be made whenever any such distribution is made and shall become effective immediately after the record date for the determination of stockholders entitled to receive such distribution.

(c) In case the Company shall issue shares of its Common Stock [excluding shares issued (i) in any of the transactions described in subparagraphs(a) or (b) of this paragraph 8; (ii) as part of the Public Units, (iii) upon conversion or exchange of securities convertible into or exchangeable for Common Stock, (iv) upon exercise of options granted under the Company's Stock Option Plan, as amended to date, if such shares would otherwise be included in this subsection (c), (v) upon exercise of the Underwriter's Warrant or the Public Warrants or the Units or (vi) upon exercise of rights or warrants issued to the holders of the Common Stock, but only if no adjustment is required pursuant to this paragraph 8 (without regard to subsection (g) of this paragraph 8) with respect to the transaction giving rise to such rights]

for a consideration per share less than the current Redeemable Warrant Exercise Price on the date the Company fixes the offering price of such additional shares, the Exercise Price shall be adjusted immediately thereafter so that it shall equal the price determined by multiplying the Exercise Price in effect immediately prior thereto by a fraction, of which the numerator shall be the total number of shares of Common Stock outstanding immediately prior to the issuance of such additional shares plus the number of shares of Common Stock which the aggregate consideration received (determined as provided in subparagraph (f) of this paragraph 8) for the issuance of such additional shares would purchase at the current Redeemable Warrant Exercise Price, and of which the denominator shall be the number of shares of Common Stock outstanding immediately after the issuance of such additional shares. Such adjustment shall be made successively whenever such an issuance is made.

(d) In case the Company shall issue any securities convertible into or exchangeable for its Common Stock (excluding securities issued in transactions described in subparagraph (b) of paragraph 8) for a consideration per share of Common Stock initially deliverable upon conversion or exchange of such securities (determined as provided in subparagraph (f) of paragraph 8) less than the current Redeemable Warrant Exercise Price in effect immediately prior to the issuance of such securities, the Exercise Price shall be adjusted immediately thereafter so that it shall equal the price determined by multiplying the Exercise Price in effect immediately prior thereto by a fraction, of which the numerator shall be the number of shares of Common Stock outstanding immediately prior to the issuance of such securities plus the number of shares of Common Stock which the aggregate consideration received (determined as provided in subparagraph (f) of paragraph 8) for such securities would purchase at the current Redeemable Warrant Exercise Price, and of which the denominator shall be the number of shares of Common Stock outstanding immediately prior to such issuance plus the maximum number of shares of Common Stock of the Company deliverable upon conversion of or in exchange for such securities at the initial conversion or exchange price or rate. Such adjustment shall be made successively whenever such an issuance is made.

(e) Whenever the Exercise Price payable upon exercise of the Underwriter's Warrant is adjusted pursuant to subparagraphs (a), (b), (c) or (d) of paragraph 8, the number of shares of Common Stock purchasable upon exercise of this Underwriter's Warrant shall simultaneously be adjusted by multiplying the number of shares of Common Stock issuable upon exercise of this Underwriter's Warrant by the Exercise Price in effect on the date hereof and dividing the product so obtained by the Exercise Price, as adjusted.

(f) For purposes of any computation respecting consideration received pursuant to subparagraphs (c) and (d) of paragraph 8, the following shall apply:

(i) in the case of the issuance of shares of Common Stock for cash, the consideration shall be the amount of such cash, provided that in no case shall any deduction be made for any commissions, discounts or other expenses incurred by the Company for any underwriting of the issue or otherwise in connection therewith;

(ii) in the case of the issuance of shares of Common Stock for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair market value thereof as determined in good faith by the Board of Directors of the Company (irrespective of the accounting treatment thereof), whose determination shall be conclusive; and

(iii) in the case of the issuance of securities convertible into or exchangeable for shares of Common Stock, the aggregate consideration received therefor shall be deemed to be the consideration received by the Company for the issuance of such securities plus the additional minimum consideration, if any, to be received by the Company upon the conversion or exchange thereof (the consideration in each case to be determined in the same manner as provided in clauses (i) and (ii) of this subparagraph (f) of paragraph 8.

(g) No adjustment in the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least five cents ($0.05) in such price; provided, however, that any adjustments which by reason of this subparagraph (g) are not required to be made shall be carried forward and taken into account in any subsequent adjustment required to be made hereunder. All calculations under this paragraph 8 shall be made to the nearest cent or to the nearest one-hundredth of a share, as the case may be. Anything in this Section 8 to the contrary notwithstanding, the Company shall be entitled, but shall not be required, to make such changes in the Exercise Price, in addition to those required by this Section 8, as it shall determine, in its sole discretion, to be advisable in order that any dividend or distribution in shares of Common Stock, or any subdivision, reclassification or combination of Common Stock, hereafter made by the Company shall not result in any federal income tax liability to the holders of Common Stock or securities convertible into Common Stock (including the Redeemable Warrants issuable upon exercise of the Underwriter's Warrant).

(h) Whenever the Exercise Price is adjusted, as herein provided, the Company shall promptly cause a notice setting forth the adjusted Exercise Price and adjusted number of shares of Common Stock or other securities purchasable upon exercise of the Underwriter's Warrant to be mailed to the Holders, at their addresses set forth herein, and shall cause a certified copy thereof to be mailed to the Company's transfer agent, if any. The Company may retain a firm of independent certified public accountants selected by the Board of Directors (who may be the regular accountants employed by the Company) to make any computation required by this paragraph 8, and a certificate signed by such firm shall be conclusive evidence of the correctness of such adjustment.

(i) In the event that at any time, as a result of an adjustment made pursuant to the provisions of this paragraph 8, the Holders of the Underwriter's Warrant thereafter shall become entitled to receive any securities of the Company, other than Common Stock and the Redeemable Warrants included in the Units, thereafter the number of such other securities so receivable upon exercise of the Underwriter's Warrant shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with

respect to the Common Stock contained in subparagraphs (a) to (g), inclusive of this paragraph (i).

9. This Agreement shall be governed by and in accordance with the laws of the State of New York.

IN WITNESS WHEREOF, ROCKWELL MEDICAL TECHNOLOGIES, INC. has caused this Underwriter's Warrant to be signed by its duly authorized officers, and this Underwriter's Warrant to be dated _____, 1997.

ROCKWELL MEDICAL TECHNOLOGIES, INC.

By: _____
Name:
Title:

PURCHASE FORM
(To be signed only upon exercise of Warrant)

The undersigned, the holder of the foregoing Underwriter's Warrant, hereby irrevocably elects to exercise the purchase rights represented by such Warrant for, and to purchase thereunder, _____ Units of ROCKWELL MEDICAL TECHNOLOGIES, INC., each Unit consisting of one (1) share of Common Stock, no par value per share, and two (2) Redeemable Common Stock Purchase Warrants each to purchase one (1) share of Common Stock, and herewith makes payment of $_____ therefor (or hereby surrenders and delivers that portion of the Underwriter's Warrant having equivalent value (as determined in accordance with the provisions of subparagraph (d) of paragraph 2 of the Underwriter's Warrant)), and requests that the certificates for shares of Common Stock and Redeemable Warrants be issued in the name(s) of, and delivered to _____, whose address(es) is (are):

Dated: _____, 19_____

_____
Signature

(Print name under signature)
(Signature must conform in all respects to the name of holder as specified on the face of the Underwriter's Warrant).

==========
(Insert Social Security or Other Identifying Number of Holder)

FORM OF ASSIGNMENT

(To be executed by the registered holder if such holder desires to transfer the Warrant)

FOR VALUE RECEIVED _____

hereby sells, assigns and transfers unto_____

(Please print name and address of transferee)

this Warrant, together with all right, title and interest therein, and does hereby irrevocably constitute and appoint _____ _____ Attorney, to transfer the within Warrant on the books of ROCKWELL MEDICAL TECHNOLOGIES, INC., with full power of substitution.

Dated: _____

Signature _____

(Print name under signature)
(Signature must conform in all respects to the name of holder as specified on the face of the Underwriter's Warrant).

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(Insert Social Security or Other Identifying Number of Holders)

EXHIBIT 10.1

R0CKWELL MEDICAL TECHNOLOGIES, INC.
1997 STOCK OPTION PLAN

1. Definitions: As used herein, the following terms shall have the following meanings:

(a) "Code" shall mean the Internal Revenue Code of 1986, as amended, and the applicable rules and regulations thereunder.

(b) "Committee" shall mean, (i) with respect to administration of the Plan regarding Participants who are subject to Section 16(a) and (b) of the Exchange Act, a committee meeting the standards of Rule 16b-3 of the Rules and Regulations under the Exchange Act, or any similar successor rule, appointed by the Board of Directors of the Company to perform any of the functions and duties of the Committee under the Plan, or the Board of Directors as a whole, and (ii) with respect to administration of the Plan regarding all other Participants, such committee or the Board of Directors of the Company, as described in clause (i), or such other committee or entity appointed by the Board of Directors of the Company to perform any of the functions and duties of the Committee under the Plan.

(c) "Common Shares" shall mean the Common Shares, no par value per share, of the Company.

(d) "Company" shall mean Rockwell Medical Technologies, Inc., a Michigan corporation, or any successor thereof.

(e) "Discretion" shall mean the sole discretion of the Committee, with no requirement whatsoever that the Committee follow past practices, act in a manner consistent with past practices, or treat any key employee, director, consultant or advisor in a manner consistent with the treatment afforded other key employees, directors, consultants or advisors with respect to the Plan or otherwise.

(f) "Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

(g) "Incentive Option" shall mean an option to purchase Common Shares which meets the requirements set forth in the Plan and also is intended to be, and qualifies as, an incentive stock option within the meaning of Section 422 of the Code.

(h) "Nonqualified Option" shall mean an option to purchase Common Shares which meets the requirements set forth in the Plan but is not intended to be, or does not qualify as, an incentive stock option within the meaning of the Code.

(i) "Participant" shall mean any individual designated by the Committee under Paragraph 6 for participation in the Plan.

(j) "Plan" shall mean this Rockwell Medical Technologies, Inc. 1997 Stock Option Plan.

(k) "Securities Act" shall mean the Securities Act of 1933, as amended, and the rules and regulations thereunder.

(l) "Subsidiary" shall mean any corporation or other entity in which the Company has a direct or indirect ownership interest of 50% or more of the total combined voting power of all classes of outstanding voting equity interests.

2. Purpose of Plan: The purpose of the Plan is to provide key employees (including officers), directors, consultants and advisors of the Company and its Subsidiaries (collectively, "key employees") with an increased incentive to make significant and extraordinary contributions to the long-term performance and growth of the Company and its Subsidiaries, to join the interests of key employees, directors, consultants and advisors with the interests of the shareholders of the Company, and to facilitate attracting and retaining key employees, directors, consultants and advisors of exceptional ability.

3. Administration: The Plan shall be administered by the Committee. Subject to the provisions of the Plan, the Committee shall determine, from those eligible to be Participants under the Plan, the persons to be granted stock options, the amount of stock to be optioned to each such person, the time such options shall be granted and the terms and conditions of any stock options. Such terms and conditions may, in the Committee's Discretion, include, without limitation, provisions providing for termination of the option, forfeiture of the gain on any option exercises or both if the Participant competes with the Company or otherwise acts contrary to the Company's interests, and provisions imposing restrictions, potential forfeiture or both on shares acquired upon exercise of options granted pursuant to this Plan. The Committee may condition any grant on the potential Participant's agreement to such terms and conditions.

Subject to the provisions of the Plan, the Committee is authorized to interpret the Plan, to promulgate, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for its administration. Interpretation and construction of any provision of the Plan by the Committee shall, unless otherwise determined by the Board of Directors of the Company, be final and conclusive. A majority of the Committee shall constitute a quorum, and the acts of a majority of the members present at any meeting at which a quorum is present, or acts approved in writing by a majority of the Committee, shall be the acts of the Committee.

4. Indemnification: In addition to such other rights of indemnification as they may have, the members of the Committee shall be indemnified by the Company in connection with any claim, action, suit or proceeding relating to any action taken or failure to act under or in connection with the Plan or any option granted hereunder to the full extent provided for under the Company's articles of incorporation or bylaws with respect to indemnification of directors of the Company.

5. Maximum Number of Shares Subject to Plan: The maximum number of shares with respect to which stock options may be granted under the Plan shall be an aggregate of 450,000 Common Shares, which may consist in whole or in part of authorized and unissued or reacquired Common Shares. Unless the Plan shall have been terminated, shares covered by the unexercised portion of canceled, expired or otherwise terminated options under the Plan shall again be available for option and sale.

Subject to Paragraph 16, the number and type of shares subject to each outstanding stock option, the option price with respect to outstanding stock options, the aggregate number and type of shares remaining available under the Plan, and the maximum number and type of shares that may be granted to any Participant in any fiscal year of the Company pursuant to Paragraph 6, shall be subject to such adjustment as the Committee, in its Discretion, deems appropriate to reflect such events as stock dividends, stock splits, recapitalizations, mergers, statutory share exchanges or reorganizations of or by the Company; provided, that no fractional shares shall be issued pursuant to the Plan, no rights may be granted under the Plan with respect to fractional shares, and any fractional shares resulting from such adjustments shall be eliminated from any outstanding option.

6. Participants: The Committee shall determine and designate from time to time, in its Discretion, those key employees (including officers), directors, consultants and advisors of or to the Company or any Subsidiary to whom options are to be granted and who thereby become Participants under the Plan; provided, however, that (a) Incentive Options shall be granted only to employees (as defined in the Code) of the Company or a corporate Subsidiary, to the extent required by Section 422 of the Code, or any successor provision, and (b) no Participant may be granted stock options to purchase more than 200,000 Common Shares in the aggregate in any fiscal year of the Company, subject to any adjustments provided in the final paragraph of Paragraph 5 and in Paragraph 16.

7. Allotment of Shares: The Committee shall determine and fix the number of Common Shares to be offered to each Participant; provided, that no Incentive Option may be granted under the Plan to any one Participant which would result in the aggregate fair market value, determined as of the date the option is granted, of the underlying stock with respect to which Incentive Options are exercisable for the first time by such individual during any calendar year (under all of such plans of the Company and its parent and Subsidiary corporations) exceeding $100,000.

8. Option Price: Subject to the rules set forth in this Paragraph 8, the Committee, in its Discretion, shall establish the option price at the time any option is granted. With respect to an Incentive Option, such option price shall not be less than 100% of the fair market value of the stock on the date on which such option is granted; provided, that with respect to an Incentive Option granted to an employee who at the time of the grant owns (after applying the attribution rules of Section 424(d) of the Code) more than 10% of the total combined voting stock of the Company or of any parent or Subsidiary, the option price shall not be less than 110% of the fair market value of the stock subject to the Incentive Option on the date such option is

granted. With respect to a Nonqualified Option, the option price shall be not less than the par value, if any, of the Common Shares. Fair market value of a share shall be determined by the Committee and may be determined by using the closing sale price of the Company's stock on any exchange or other market on which the Common Shares shall be traded on such date, or if there is no sale on such date, on the next following date on which there is a sale, or the average of the closing bid and asked prices in any market or quotation system in which the Common Shares shall be listed or traded on such date. The option price will be subject to adjustment in accordance with the provisions of Paragraphs 5 and 16 of the Plan.

9. Granting and Exercise of Options: The granting of options under the Plan shall be effected in accordance with determinations made by the Committee pursuant to the provisions of the Plan, by execution of instruments in writing in form approved by the Committee. Such instruments shall constitute binding contracts between the Company and the Participant.

Subject to the terms of the Plan, the Committee, in its Discretion, may grant to Participants Incentive Options, Nonqualified Options or any combination thereof. Each option granted under the Plan shall designate the number of shares covered thereby, if any, with respect to which the option is an Incentive Option and the number of shares covered thereby, if any, with respect to which the option is a Nonqualified Option.

Subject to the terms of the Plan, each option granted under the Plan shall be exercisable at any such time or times or in any such installments as may be determined by the Committee in its Discretion; provided, that the aggregate fair market value (determined as of the date the option is granted) of the underlying stock with respect to which Incentive Options are exercisable for the first time by such individual during any calendar year (under all of such plans of the Company and its parent and Subsidiary corporations) shall not exceed $100,000. Except as provided in Paragraph 13, options may be exercised only while the Participant is an employee, director, consultant or advisor of the Company or a Subsidiary.

Notwithstanding any other term or provision of this Plan, but subject to the requirements of the Code with respect to Incentive Options that are intended to remain Incentive Options, in connection with a Participant ceasing to be an employee of the Company or a Subsidiary for any reason, the stock option agreement may provide for the acceleration of, or the Committee may accelerate, in its Discretion (exercised at the date of the grant of the stock option or after the date of grant), in whole or in part, the time or times or installments with respect to which any option granted under this Plan shall be exercisable in connection with termination of a Participant's employment with the Company or a Subsidiary, subject to any restrictions, terms and conditions fixed by the Committee either at the date of the award or at the date it exercises such Discretion.

Successive stock options may be granted to the same Participant, whether or not the option or options previously granted to such Participant remain unexercised. A Participant may exercise any option granted under the Plan, if then exercisable, notwithstanding that options granted to such Participant prior to the option then being exercised remain unexercised.

10. Payment of Option Price: At the time of the exercise in whole or in part of any option granted under this Plan, payment in full in cash, or with the consent of the Committee, in its Discretion, in Common Shares or by a promissory note payable to the order of the Company which is acceptable to the Committee, shall be made by the Participant for all shares so purchased. Such payment may, with the consent of the Committee, in its Discretion, also consist of a cash down payment and delivery of such a promissory note in the amount of the unpaid exercise price. In the Discretion of, and subject to such conditions as may be established by, the Committee, payment of the option price may also be made by the Company retaining from the shares to be delivered upon exercise of the stock option that number of shares having a fair market value on the date of exercise equal to the option price of the number of shares with respect to which the Participant exercises the option. In the Discretion of the Committee, a Participant may exercise an option, if then exercisable, in whole or in part, by delivery to the Company of written notice of the exercise in such form as the Committee may prescribe, accompanied by irrevocable instructions to a stock broker to promptly deliver to the Company full payment for the shares with respect to which the option is exercised from the proceeds of the stock broker's sale of or loan against some or all of the shares. Such payment may also be made in such other manner as the Committee determines is appropriate, in its Discretion. No Participant shall have any of the rights of a shareholder of the Company under any option until the actual issuance of shares to such Participant, and prior to such issuance no adjustment shall be made for dividends, distributions or other rights in respect of such shares, except as provided in Paragraphs 5 and 16.

11. Transferability of Option: Except as otherwise provided in this Paragraph 11, (i) to the extent required by Section 422 of the Code, or any successor section, but only with respect to Incentive Options, or (ii) to the extent determined by the Committee in its Discretion (either by resolution or by a provision in, or amendment to, the option), (a) no option granted under the Plan to a Participant shall be transferable by such Participant otherwise than (1) by will, or (2) by the laws of descent and distribution or, (3) with respect to Nonqualified Options only (unless permitted by Section 422 of the Code or any successor section), pursuant to a qualified domestic relations order as defined in the Code or Title I of the Employee Retirement Income Security Act, or the rules thereunder, and (b) such option shall be exercisable, during the lifetime of the Participant, only by the Participant.

The Committee may, in its Discretion, authorize all or a portion of the options to be granted to an optionee to be on terms which permit transfer by such optionee to, and the exercise of such option by, (i) the spouse, children or grandchildren of the optionee ("Immediate Family Members"), (ii) a trust or trusts for the exclusive benefit of such Immediate Family Members, (iii) a partnership in which such Immediate Family Members are the only partners, or (iv) such other persons or entities as determined by the Committee, in its Discretion, on such terms and conditions as the Committee, in its Discretion, may determine; provided, that (y) the stock option agreement pursuant to which such options are granted must be approved by the Committee and must expressly provide for transferability in a manner consistent with this Paragraph 11, and (z) subsequent transfers of transferred options shall be prohibited except for transfers the original

optionee would be permitted to make (if he or she were still the owner of the option) in accordance with this Paragraph 11.

Following transfer, any such options shall continue to be subject to the same terms and conditions as were applicable immediately before transfer, provided, that for purposes of Paragraphs 9, 10, 14, 16 and 18 the term "Participant" shall be deemed to refer to the transferee. The events of termination of employment of Paragraph 13 shall continue to be applied with respect to the original optionee, following which the options shall be exercisable by the transferee only to the extent, and for the periods, specified in Paragraph 13. The original optionee shall remain subject to withholding taxes and related requirements upon exercise provided in Paragraph 15. The Company shall have no obligation to provide any notice to any transferee, including, without limitation, notice of any termination of the option as a result of termination of the original optionee's employment with, or other service to, the Company.

12. Continuance of Employment; No Right to Continued Employment: The Committee may require, in its Discretion, that any Participant under the Plan to whom an option shall be granted shall agree in writing as a condition of the granting of such option to remain in his or her position as an employee, director, consultant or advisor of the Company or a Subsidiary for a designated minimum period from the date of the granting of such option as shall be fixed by the Committee.

Nothing contained in the Plan or in any option granted pursuant to the Plan, nor any action taken by the Committee hereunder, shall confer upon any Participant any right with respect to continuation of employment, consultation or other service by or to the Company or a Subsidiary nor interfere in any way with the right of the Company or a Subsidiary to terminate such person's employment, consultation or other service at any time.

13. Termination of Employment; Expiration of Options: Subject to the other provisions of the Plan, including, without limitation, Paragraphs 9 and 16 and this Paragraph 13, all rights to exercise options shall terminate when a Participant ceases to be an employee, director, consultant or advisor of or to the Company or a Subsidiary for any cause, except that the Committee may, in its Discretion, permit the exercise of all or any portion of the options granted to such Participant

(i) for a period not to exceed three months following such termination with respect to Incentive Options that are intended to remain Incentive Options if such termination is not due to death or permanent disability of the Participant,

(ii) for a period not to exceed one year following termination of employment with respect to Incentive Options that are Intended to remain Incentive Options if termination of employment is due to the death or permanent disability of the Participant, and

(iii) for a period not to extend beyond the expiration date with respect to Nonqualified Options or Incentive Options that are not intended to remain Incentive Options,

all subject to any restrictions, terms and conditions fixed by the Committee either at the date of the award or at the date it exercises such Discretion. In no event, however, shall an option be exercisable after its expiration date, and, unless the Committee in its Discretion determines otherwise (pursuant to Paragraph 9 or Paragraph 16), an option may only be exercised after termination of a Participant's employment, consultation or other service by or to the Company to the extent exercisable on the date of such termination or to the extent exercisable as a result of the reason for such termination. The Committee may evidence the exercise of its Discretion under this Paragraph 13 in any manner it deems appropriate, including by resolution or by a provision in, or amendment to, the option.

If not sooner terminated, each stock option granted under the Plan shall expire not more than 10 years from the date of the granting thereof; provided, that with respect to an Incentive Option granted to a Participant who, at the time of the grant, owns (after applying the attribution rules of Section 424(d) of the Code) more than 10% of the total combined voting stock of all classes of stock of the Company or of any parent or Subsidiary, such option shall expire not more than 5 years after the date of granting thereof.

14. Investment Purpose: If the Committee in its Discretion determines that as a matter of law such procedure is or may be desirable, it may require a Participant, upon any exercise of any option granted under the Plan or any portion thereof and as a condition to the Company's obligation to deliver certificates representing the shares subject to exercise, to execute and deliver to the Company a written statement, in form satisfactory to the Committee, representing and warranting that the Participant's purchase of Common Shares upon exercise thereof shall be for such person's own account, for investment and not with a view to the resale or distribution thereof and that any subsequent sale or offer for sale of any such shares shall be made either pursuant to (a) a Registration Statement on an appropriate form under the Securities Act, which Registration Statement has become effective and is current with respect to the shares being offered and sold, or (b) a specific exemption from the registration requirements of the Securities Act, but in claiming such exemption the Participant shall, prior to any offer for sale or sale of such shares, obtain a favorable written opinion from counsel for or approved by the Company as to the availability of such exemption. The Company may endorse an appropriate legend referring to the foregoing restriction upon the certificate or certificates representing any shares issued or transferred to the Participant upon exercise of any option granted under the Plan.

15. Withholding Payments: If upon the exercise of any Nonqualified Option or a disqualifying disposition (within the meaning of Section 422 of the Code) of shares acquired upon exercise of an Incentive Option, there shall be payable by the Company or a Subsidiary any amount for income tax withholding, in the Committee's Discretion, either the Participant shall pay such amount to the Company, or the amount of Common Shares delivered by the Company to the Participant shall be appropriately reduced, to reimburse the Company or such Subsidiary

for such payment. The Company or any of its Subsidiaries shall have the right to withhold the amount of such taxes from any other sums or property due or to become due from the Company or any of its Subsidiaries to the Participant upon such terms and conditions as the Committee shall prescribe. The Company may also defer issuance of the stock upon exercise of such option until payment by the Participant to the Company of the amount of any such tax. The Committee may, in its Discretion, permit Participants to satisfy such withholding obligations, in whole or in part, by electing to have the amount of Common Shares delivered or deliverable by the Company upon exercise of a stock option appropriately reduced, or by electing to tender Common Shares back to the Company subsequent to exercise of a stock option to reimburse the Company or such Subsidiary for such income tax withholding, subject to such rules and regulations, if any, as the Committee may adopt. The Committee may make such other arrangements with respect to income tax withholding as it shall determine.

16. Extraordinary Transactions: In case the Company (i) consolidates with or merges into any other corporation or other entity and is not the continuing or surviving entity of such consolidation or merger, or (ii) permits any other corporation or other entity to consolidate with or merge into the Company and the Company is the continuing or surviving entity but, in connection with such consolidation or merger, the Common Shares are changed into or exchanged for stock or other securities of any other corporation or other entity or cash or any other assets, or (iii) transfers all or substantially all of its properties and assets to any other corporation or other person or entity, or (iv) dissolves or liquidates, or (v) effects a capital reorganization or reclassification in such a way that holders of Common Shares shall be entitled to receive stock, securities, cash or other assets with respect to or in exchange for the Common Shares, then, and in each such case, proper provision shall be made so that, each Participant holding a stock option upon the exercise of such option at any time after the consummation of such consolidation, merger, transfer, dissolution, liquidation, reorganization or reclassification (each transaction, for purposes of this Paragraph 16, being herein called a "Transaction"), shall be entitled to receive (at the aggregate option price in effect for all Common Shares issuable upon such exercise immediately prior to such consummation and as adjusted to the time of such Transaction), in lieu of Common Shares issuable upon such exercise prior to such consummation, the stock and other securities, cash and assets to which such Participant would have been entitled upon such consummation if such Participant had so exercised such stock option in full immediately prior thereto (subject to adjustments subsequent to such Transaction provided for in Paragraph 5).

Notwithstanding anything in the Plan to the contrary, in connection with any Transaction and effective as of a date selected by the Committee, which date shall, in the Committee's judgment, be far enough in advance of the Transaction to permit Participants holding stock options to exercise their options and participate in the Transaction as a holder of Common Shares, the Committee, acting in its Discretion without the consent of any Participant, may effect one or more of the following alternatives with respect to all of the outstanding stock options (which alternatives may be made conditional on the occurrence of the applicable Transaction and which may, if permitted by law, vary among individual Participants): (a) accelerate the time at which stock options then outstanding may be exercised so that such stock options may be exercised in full for a limited period of time on or before a specified date fixed by the Committee

after which specified date all unexercised stock options and all rights of Participants thereunder shall terminate; (b) accelerate the time at which stock options then outstanding may be exercised so that such stock options may be exercised in full for their then remaining term; or (c) require the mandatory surrender to the Company of outstanding stock options held by such Participants (irrespective of whether such stock options are then exercisable) as of a date, before or not later than sixty days after such Transaction, specified by the Committee, and in such event the Company shall thereupon cancel such stock options and shall pay to each Participant an amount of cash equal to the excess of the fair market value of the aggregate Common Shares subject to such stock option, determined as of the date such Transaction is effective, over the aggregate option price of such shares, less any applicable withholding taxes; provided, however, the Committee shall not select an alternative (unless consented to by the Participant) such that, if a Participant exercised his or her accelerated stock option pursuant to alternative (a) or (b) and participated in the Transaction or received cash pursuant to alternative (c), the alternative would result in the Participant's owing any money by virtue of the operation of Section 16(b) of the Exchange Act. If all such alternatives have such a result, the Committee shall, in its Discretion, take such action to put such Participant in as close to the same position as such Participant would have been in had alternative (a), (b) or (c) been selected but without resulting in any payment by such Participant pursuant to Section 16(b) of the Exchange Act. Notwithstanding the foregoing, with the consent of affected Participants, each with respect to such Participant's option only, the Committee may in lieu of the foregoing make such provision with respect to any Transaction as it deems appropriate.

17. Effectiveness of Plan: This Plan shall be effective on the date the Board of Directors of the Company adopts this Plan, provided, that the shareholders of the Company approve the Plan within 12 months before or after its adoption by the Board of Directors. Options may be granted before shareholder approval of this Plan, but each such option shall be subject to shareholder approval of this Plan. No option granted under this Plan shall be exercisable unless and until this Plan shall have been approved by the Company's shareholders.

18. Termination, Duration and Amendments to the Plan: The Plan may be abandoned or terminated at any time by the Board of Directors of the Company. Unless sooner terminated, the Plan shall terminate on the date ten years after the earlier of its adoption by the Board of Directors or its approval by the shareholders of the Company, and no stock options may be granted under the Plan thereafter. The termination of the Plan shall not affect the validity of any option which is outstanding on the date of termination.

For the purpose of conforming to any changes in applicable law or governmental regulations, or for any other lawful purpose, the Board of Directors shall have the right, with or without approval of the shareholders of the Company, to amend or revise the terms of this Plan or any option agreement under this Plan at any time; provided, however, that (i) to the extent required by Section 162(m) of the Code and related regulations, or any successor rule, but only with respect to amendments or revisions affecting Participants whose compensation is subject to Section 162(m) of the Code, and to the extent required by Section 422 of the Code, or any successor section, but only with respect to Incentive Options, no such amendment or revision

shall increase the maximum number of shares in the aggregate which are subject to this Plan (subject, however, to the provisions of Paragraphs 5 and 16) without the approval or ratification of the shareholders of the Company, and (ii) no such amendment or revision shall change the option price (except as contemplated by Paragraphs 5 and 16) or alter or impair any option which shall have been previously granted under this Plan, in a manner adverse to a Participant, without the consent of such Participant.

As adopted by the Board of Directors on July 15, 1997.

EXHIBIT 10.2

EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement") is entered into as of February 19, 1997 between Rockwell Medical Technologies, Inc., a Michigan corporation (the "Company"), and Robert L. Chioini ("Employee").

In consideration of the mutual covenants contained in this Agreement, the Company and Employee agree as follows:

1. Employment

During the term of this Agreement (as defined in Sections 2 and 4), the Company shall employ Employee, and Employee hereby accepts such employment by the Company, on a full time basis, in accordance with the terms and conditions set forth in this Agreement.

(a) Duties. Employee shall serve in such capacities and shall perform such duties, services and responsibilities and have such authority and powers for, and on behalf of, the Company as are established from time to time by, or in accordance with procedures established by, the Board of Directors of the Company.

(b) Performance. Employee shall perform the duties called for under this Agreement to the best of his ability and shall devote all of his business time, energies, efforts and skill to such duties during the term of his employment and shall not seek or accept employment with any other employer or business or engage in any other business of any nature whatsoever, in any capacity whatsoever, unless approved in writing in advance by the Board of Directors of the Company.

2. Term

Subject to Section 17 below, the term of Employee's employment under this Agreement shall begin on the date first written above and shall continue for three years, unless earlier terminated pursuant to Section 4.

3. Compensation, Expenses and Benefits

As full compensation for Employee's performance of his duties pursuant to this Agreement, the Company shall pay Employee during the term of this Agreement, and Employee shall accept as full payment for such performance, the following amounts and benefits:

(a) Salary. As salary for Employee's services to be rendered under this Agreement, the Company shall pay Employee an annual salary of $115,000, which may be adjusted from time to time by the Board of Directors of the Company.

(b) Bonus. In addition to his salary, Employee shall be entitled to bonuses in such amounts and at such times as may be determined from time to time by the Board of Directors of the Company, in its sole discretion. The Board of Directors of the Company shall

review Employee's salary and bonus at least once each year to determine the amount, if any, of Employee's bonus.

(c) Business Expenses. The Company shall pay or reimburse Employee for all reasonable, ordinary and necessary travel, entertainment, meals, lodging and other out-of-pocket expenses incurred by Employee in connection with the Company's business, for which Employee submits appropriate receipts and which have been authorized by the Chairman of the Board of the Company.

(d) Benefits. Employee shall be eligible to participate in all fringe benefits, if any, including insurance and other employee benefit plans, applicable to other similar executive officers of the Company, when and if adopted and made available during the term of this Agreement to employees with similar periods of service, subject to any eligibility or other requirements for participating in such fringe benefits and to the actual existence of the respective plans.

(e) Automobile. The Company shall pay to Employee an automobile allowance in an amount determined from time to time by the Board of Directors of the Company.

4. Termination

(a) Death. Employee's employment under this Agreement shall terminate immediately upon Employee's death.

(b) Disability. Employee's employment under this Agreement shall terminate, at the Company's option, immediately upon notice to Employee given after Employee's "total disability," but no earlier than the later of (i) the day after six (6) consecutive months during which Employee suffers from a "total disability," and (ii) the day that Employee is eligible to begin receiving disability benefits under any disability insurance policy or its equivalent provided to employees, including the Employee, under Section 3(d) above. "Total disability" shall mean Employee's physical or mental condition which renders Employee unable to perform the duties contemplated by Section 1 above. If the Company and Employee are unable to agree whether Employee is suffering from a "total disability," the question shall be decided by a physician mutually agreed upon and paid for by the Company, whose determination shall be final and binding. If Employee and the Company are unable to agree on a physician, Employee and the Company shall each choose one physician who shall mutually choose a third physician, whose determination shall be final and binding. Employee shall continue to receive compensation pursuant to Section 3 during the period prior to termination of Employee's employment pursuant to this Section 4(b), less any disability benefits Employee receives pursuant to the insurance policy or its equivalent provided by Section 3(d) with respect to such period, if any.

(c) With Cause. The Company shall have the right, upon written notice to Employee, to terminate Employee's employment under this Agreement for "cause." Such termination shall be effective immediately upon Employee's receipt of such written notice. "Cause" means material breach by Employee of this Agreement, any material breach by Employee of his fiduciary duties to the Company, gross neglect, gross abuse of office amounting to a breach of trust, fraud, any willful violation of any law, rule or regulation (other than traffic

violations and similar offenses), which violation resulted in a conviction and shall have a material adverse effect upon the Company, any act of theft or dishonesty by Employee, or any action by Employee (or failure to act) which, in the judgment of the Board of Directors of the Company, constitutes malfeasance, negligence, insubordination or a refusal to follow direct instructions or widely know Company policies.

(d) Without Cause. The Company and Employee shall each have the right, upon written notice to the other, to terminate Employee's employment under this Agreement without cause. Such termination shall be effective 30 days after receipt of such notice.

5. Effects of Termination

(a) If Employee's employment under this Agreement is terminated pursuant to Sections 4(a), (b) or (c), if Employee resigns pursuant to Section 4(d) or if either party gives notice to the other party of its intention not to renew this Agreement in accordance with Section 17, the Company's obligations under this Agreement, including its obligations under Section 3, shall end except for the Company's obligation to: (i) reimburse Employee (or his estate) for all out-of-pocket expenses incurred and unpaid pursuant to Section 3(c) and all benefits actually due pursuant to Sections 3(d), accrued and unpaid through the date of termination; and (ii) pay to Employee (or his estate) any salary and bonus compensation, pursuant to Sections 3(a) and 3(b), actually earned, accrued and unpaid through the date of termination.

(b) If the Company terminates Employee's employment under this Agreement pursuant to Section 4(d), the Company shall provide the benefits set forth in Section 3(d) for a period of twelve months beginning after the 30 days' written notice and shall pay Employee an amount equal to $150,000, payable in equal monthly installments over a period of twelve months beginning after the 30 days' written notice, subject to earlier termination upon the occurrence of any of the events described in Sections 4(a) or (c). Except for the payment and benefits set forth in the preceding sentence, Employee shall be entitled to no other compensation, payment or benefit from the Company upon termination by the Company pursuant to Section 4 (d) above.

(c) Termination of Employee's employment under this Agreement shall not affect either party's rights and obligations under Sections 3 (subject to the limitations set forth in Sections 5(a) and (b)), 5, 7, 8, 9, 10 and 11, and such rights and obligations shall continue and survive the termination of Employee's employment and this Agreement, for any reason, notwithstanding any breach of this Agreement by Employee or by the Company.

6. Conflicts of Interest

While employed by the Company, Employee shall not, directly or indirectly, unless approved in writing by the Chairman of the Board of the Company:

(a) participate in any way in the benefits of transactions between the Company and its suppliers or customers, or have personal financial transactions with any of the Company's suppliers or customers, including, without limitation, having a financial interest in the Company's suppliers or customers, or making loans to, or receiving loans from, the Company's suppliers or customers;

(b) realize a personal gain or advantage from a transaction in which the Company has an interest or use information obtained in connection with Employee's employment with the Company for Employee's personal advantage or gain; or

(c) accept any offer to serve as an officer, director, partner, consultant, agent or manager with, or to be employed in a technical capacity by, a person or entity which does business with the Company.

7. Solicitation of Employees and Consultants

Upon termination of Employee's employment with the Company under this Agreement, with or without cause, by either the Company or Employee, Employee shall not for a period of three years following the date of such termination, directly or indirectly:

(a) solicit or attempt to hire any person who is then employed by, or is a consultant to, the Company or who was employed by, or was a consultant to, the Company at any time during the two year period before the termination of Employee's employment with the Company under this Agreement; or

(b) encourage any such person to terminate his or her employment or consultation with the Company.

8. Covenant Not to Compete

During the term of Employee's employment under this Agreement and (i) for a period of three years following the termination of Employee's employment with the Company under this Agreement (the "Period"), Employee shall not, directly or indirectly, himself, or through or for an individual, person or entity wherever located:

(a) engage in any activities, perform any services in connection with any products, or sell any products, which are similar to the activities or services performed by, or products sold by, the Company during the term of Employee's employment under this Agreement; or

(b) be employed by, consult with, own any capital stock of, or have any financial interest of any kind in, any individual, person or entity, wherever located, which conducts a business reasonably similar to the Company's business; provided, that Employee may own, for investment purposes only, up to 3% of the stock of any publicly traded business whose stock is either listed on a national stock exchange or on the Nasdaq National Market System (if Employee is not otherwise affiliated with such business).

9. Solicitation of Company Customers

Upon termination of Employee's employment with the Company under this Agreement, with or without cause, by either the Company or Employee, Employee shall not, directly or indirectly, at any time within the Period, solicit any entity that was a customer of the Company at any time within the two year period before the date of such termination to perform services

or supply products for such customer of a similar nature to those services performed or products provided by the Company to such customer during the term of such employment under this Agreement.

10. Confidentiality; Return of Documents

Employee further agrees that Employee will not, at any time, for so long as any Confidential Information (as defined below) shall remain confidential or otherwise remain wholly or partially protectable, either during the term of Employee's employment with the Company under this Agreement or thereafter, use or disclose, directly or indirectly, to any person or entity outside the Company any Confidential Information. For purposes of this Agreement, "Confidential Information" shall mean all business and technical information of any nature and in any form which at the time or times concerned is not generally known to those persons engaged in business similar to that conducted or contemplated by the Company (other than by the act or acts of an employee not authorized by the Company to disclose such information) and which relates to any one or more of the aspects of the present or past business of the Company or an affiliate of the Company or any of their respective predecessors, including, without limitation, patents and patent applications, inventions and improvements (whether or not patentable), development projects, policies, processes, formulas, techniques, know-how and other facts relating to manufacturing, sales, advertising, promotions, financial matters, or other trade secrets. Upon termination of Employee's employment with the Company for any reason, all documents, procedural manuals, guides, specifications, plans, drawings, designs and similar materials, diaries, records, notebooks, and similar repositories of or containing Confidential Information, including all copies thereof, then in Employee's possession or control, whether prepared by Employee or others, shall be left with, or forthwith returned by Employee to, the Company.

11. Company's Remedies

Employee acknowledges and agrees that the covenants and undertakings contained in Sections 1(b), 6, 7, 8, 9 and 10 of this Agreement relate to matters which are of a special, unique and extraordinary character and that a violation of any of the terms of such Sections will cause irreparable injury to the Company, the amount of which will be difficult, if not impossible, to estimate or determine and which cannot be adequately compensated. Therefore, Employee agrees that the Company, in addition to any other available remedies under applicable law, shall be entitled, as a matter of course, to an injunction, restraining order or other equitable relief from any court of competent jurisdiction, restraining any violation or threatened violation of any such terms by Employee and such other persons as the court shall order.

12. Employee's Remedies

Employee's remedy against the Company for breach of this Agreement and/or wrongful termination of his employment is the collection of any compensation due him as provided in Sections 3 and 5 and such other remedies available to Employee under law or in equity.

13. Assignment

The Company shall not be required to make any payment under this Agreement to any assignee or creditor of Employee, other than to Employee's legal representative on death. Employee's obligations under this Agreement are personal and may not be assigned, delegated or transferred in any manner and any attempt to do so shall be void. Employee, or his legal representative, shall have no rights by way of anticipation or otherwise to assign or otherwise dispose of any right of Employee under this Agreement. The Company may assign this Agreement without Employee's consent to any successor to the Company's business. This Agreement shall be binding upon, and shall inure to the benefit of, the Company, Employee and their permitted successors and assigns.

14. Company's Obligations Unfunded

Except for any benefits under any benefit plan of the Company that are required by law or by express agreement to be funded, it is understood that the Company's obligations under this Agreement are not funded, and it is agreed that the Company shall not be required to set aside or escrow any monies in advance of the due date of the payment of such monies to Employee.

15. Notices

(a) To Employee. Any notice to be given under this Agreement by the Company to Employee shall be deemed to be given if delivered to Employee in person or three business days after mailed to him by certified or registered mail, postage prepaid, return receipt requested, to:

Robert L. Chioini
38864 Equestrian South, #49205
Farmington Hills, Michigan 48331

With a copy to

Patrick J. Bagley, Esq.
Bagley and Langan PLLC
4515 Highland Road
Waterford, Michigan 48328

or at such other address as Employee shall have advised the Company in writing.

(b) To the Company. Any notice to be given under this Agreement by Employee to the Company shall be deemed to be given three business days after mailed by certified or registered mail, postage prepaid, return receipt requested, to:

Rockwell Medical Technologies, Inc.
28025 Oakland Oaks
Wixom, Michigan 48393
Attention: Gary D. Lewis

With a copy to:

Patrick T. Duerr, Esq.
Honigman Miller Schwartz and Cohn
2290 First National Building
Detroit, Michigan 48226

or at such other address as the Company shall have advised Employee in writing.

16. Amendments

This Agreement shall not be amended, in whole or in part, except by an agreement in writing signed by the Company and Employee.

17. Renewal of Term

Not less than 30 days prior to the end of the Term, either party may notify the other party that it wishes to terminate this Agreement at the end of the Term. If no such notification is given, the Term of this Agreement will be extended for an additional one year period with the same terms and conditions as set forth herein (other than with respect to the length of the Term), subject to the rights of termination as provided herein.

18. Entire Agreement

This Agreement constitutes the entire agreement between the parties with respect to the subject matter of this Agreement and all prior agreements or understandings, oral or written, are merged in this Agreement and are of no further force or effect. The parties acknowledge that they are not relying on any representations, express or implied, oral or written, except for those stated in this Agreement.

19. Captions

The captions of this Agreement are included for convenience only and shall not affect the construction of any provision of this Agreement.

20. Governing Law and Forum

This Agreement shall be governed by, and interpreted in accordance with, the laws of the state of Michigan, except for any provisions of Michigan law which direct the application of other states' laws, and except that if any provision of this Agreement would be illegal, void, invalid or unenforceable under such Michigan laws, then the laws of such other jurisdiction which would render such provisions valid and enforceable shall govern so far as is necessary to sustain the validity and enforceability of the terms of this Agreement. Each party consents to be subject to personal jurisdiction of the courts of Michigan, and any lawsuit or other court action or proceeding relating to, or arising out of, this Agreement or Employee's employment with the Company shall be instituted only in the state or federal court of proper jurisdiction in the state of Michigan.

21. Severability

All provisions, agreements, and covenants contained in this Agreement are severable, and in the event any of them shall be held to be illegal, void or invalid by any competent court or under any applicable law, such provision shall be changed to the extent reasonably necessary to make the provision, as so changed, legal, valid and binding. If any provision of this Agreement is held illegal, void or invalid in its entirety, the remaining provisions of this Agreement shall not in any way be affected or impaired, but shall remain binding in accordance with their terms.

22. No Waiver

No waiver of any provision of this Agreement shall be valid unless in writing and signed by the party against whom enforcement of the waiver is sought. The waiver by either party of any breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach.

IN WITNESS WHEREOF, the Company and Employee have duly executed this Agreement as of the date and year first above written.

ROCKWELL MEDICAL TECHNOLOGIES, INC.

By: /s/ Garry D. Lewis

Its: Chairman of the Board

/s/ Robert L. Chioini

ROBERT L. CHIOINI

EXHIBIT 10.3

CONSULTING AND FINANCIAL ADVISORY SERVICES AGREEMENT

This Consulting and Financial Advisory Services Agreement (this "Agreement") is made as of February 19, 1997 between Rockwell Medical Technologies, Inc., a Michigan corporation ("Rockwell"), and Wall Street Partners, Inc., a Michigan corporation ("Wall Street").

RECITALS

A. Rockwell is engaged in the business of, among other things, manufacturing, marketing, selling and distributing medical supplies and concentrates to hemodialysis clinics and other distributors and dealers in the hemodialysis industry.

B. Wall Street is engaged in the business of, among other things, providing consulting and financial advisory services to other businesses.

C. Rockwell desires to engage Wall Street's expertise and knowledge in connection with its business and operations, and Wall Street desires to provide such services to Rockwell, upon the terms and conditions of this Agreement.

Therefore, the parties agree as follows:

1. Consulting Services. During the Term, as defined in Section 2, Wall Street shall provide to or for the benefit of Rockwell consultation and advice to the directors, officers and employees of Rockwell with respect to various business, accounting, and financial matters (the "Services"). Wall Street will render such consultation and advice as may reasonably be requested by the officers or directors of Rockwell or by employees so designated by the officers or directors of Rockwell. Such consultation and advice may regard or involve all aspects of the business and operations of Rockwell, including its subsidiary, Rockwell Transportation, Inc. ("Rockwell Transportation"), with the exception of FDA regulatory matters

2. Term. This Agreement will become effective as of the date hereof and will remain in effect until December 31, 1997, unless such term is extended by the mutual consent of the parties.

3. Relationship of the Parties. Nothing herein will be construed to create a partnership or joint venture by or between Rockwell (including Rockwell Transportation for this entire Section 3) and Wall Street or to make one the agent of the other. Rockwell and Wall Street will not hold themselves out as a partner or agent of the other or to otherwise state or imply by advertising or otherwise any relationship between them in any manner contrary to the terms of this Agreement. Rockwell and Wall Street do not have, and will not represent that they have, the power to bind or legally obligate the other. The parties acknowledge that this arrangement is not exclusive and Wall Street shall have the right to render consulting and advisory services to other persons or entities. No employee of Wall Street will be considered an employee of Rockwell by either party for any purpose whatsoever, notwithstanding that one or more employees of Wall Street may be engaged in providing Services provided by Wall Street to Rockwell on a full-time basis.

4. Consideration. As full consideration for Wall Street's performance of the Services, and for the covenants described in Section 5 of this Agreement, Rockwell will pay Wall Street $25,000 per month (which amount will be prorated for any partial periods worked based on a five business day week). All amounts are payable in U.S. funds on the last day of each month, in arrears.

5. Confidentiality.

(a) Wall Street will not, at any time during the Term (other than as may be required in connection with the performance of its Services hereunder) or thereafter, directly or indirectly, use, communicate, disclose or disseminate any Confidential Information (as defined in subparagraph (b) of this Section 5) in any manner whatsoever.

(b) As used in subparagraph (a) of this Section 5, the term "Confidential Information" will mean all business and technical information including, but not limited to, information of any nature and in any form which at the time or times concerned is not generally known to those persons engaged in business similar to that conducted or contemplated by Rockwell and Rockwell Transportation (other than by an act or acts of an employee not authorized to disclose such information), and which relates to one or more aspects of the present or past business of Rockwell and Rockwell Transportation or any affiliate or predecessor, including, without limitation, patents and patent applications, inventions and improvements (whether or not patentable), development projects, policies, processes, formulas, techniques, know-how, pricing, financial information, and other facts relating to manufacturing, sales, advertising, promotions, transportation, packaging, labeling, lab techniques and testing methods, distribution, financial matters, strategies, customers and potential customers, marketing and sales methods, preparation of bids, vendor sources and vendor financing arrangements, other than information which is independently developed or which is in the public domain or which becomes available to a recipient on a non-confidential basis without violating subparagraph (a) of this Section 5 or which is required to be disclosed by law and is disclosed in a manner so required.

6. Notices. Any notice or other communication required or permitted hereunder will be in writing and shall be deemed given when so delivered personally or received by facsimile or overnight carrier or, if mailed, four days after the date of mailing, as follows:

(a) If to Rockwell, to it at:

Rockwell Medical Technologies, Inc.
28025 Oakland Oaks Drive
Wixom, Michigan 48393
Attention: Mr. Robert L. Chioini, President
Facsimile: (248) 449-3363

With a copy to:

Honigman Miller Schwartz and Cohn
2290 First National Building
Detroit, Michigan 48226
Attention: Patrick T. Duerr, Esq.
Facsimile: (313) 962-0176

(b) If to Wall Street, to it at:

Wall Street Partners, Inc.
P. O. Box 36940
Grosse Pointe, Michigan 48236
Attention: Mr. Gary D. Lewis, President
Facsimile: (313) 885-2252

7. Assignment. This Agreement will bind and inure to the benefit of the parties and their respective successors and assigns. This Agreement will not be assignable or delegable without the prior written consent of all parties.

8. Entire Agreement; Amendment. This Agreement contains the entire agreement of the parties with respect to the subject matter of this Agreement. This Agreement may be altered or amended only by an instrument in writing, duly executed by both parties or, in the case of a waiver, by the party waiving compliance.

9. Governing Laws; Venue. The laws of the State of Michigan shall govern this Agreement, its construction, and the determination of any rights, duties or remedies of the parties arising out of or relating to this Agreement. The parties acknowledge that the United States District Court for the Eastern District of Michigan or the Michigan Circuit Court for the County of Oakland shall have exclusive jurisdiction over any case or controversy arising out of or relating to this Agreement and that all litigation arising out of or relating to this Agreement shall be commenced in the United States District Court for the Eastern District of Michigan or in the Michigan Circuit Court for Oakland County.

10. Waiver. No waiver of any breach of any provision of this Agreement will be deemed a waiver of any preceding or succeeding breach or of any other provision of this Agreement. No extension of time for performance of any obligations or acts will be deemed an extension of the time for performance of any other obligations or acts.

11. Counterparts. This Agreement may be executed in counterparts, each of which will be an original, but all of which together will constitute one instrument.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the date first set forth in the introductory paragraph of this Agreement.

ROCKWELL MEDICAL TECHNOLOGIES, INC., a Michigan corporation

By: /s/ Robert L. Chioini

Robert L. Chioini
Its: President

WALL STREET PARTNERS, INC., a Michigan corporation

By: /s/ Gary D. Lewis

Gary D. Lewis
Its: President

EXHIBIT 10.4

ASSET PURCHASE AGREEMENT

AMONG

ROCKWELL MEDICAL SUPPLIES, LLC

ROCKWELL TRANSPORTATION, LLC

VIJAY KUMAR CHILAKAPTI, M.D.

KRISHNAPILLAI THAVARAJAH, M.D.

T.K. INVESTMENT COMPANY

ROBERT L. CHIOINI

CHILAKAPTI FAMILY LIMITED PARTNERSHIP

THAVARAJAH FAMILY LIMITED PARTNERSHIP

AND

ACQUISITION PARTNERS, INC.

DATED NOVEMBER 1, 1996

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT ("AGREEMENT") is made as of November 1, 1996 by and among ROCKWELL MEDICAL SUPPLIES, LLC, a Michigan limited liability company d/b/a Rockwell Medical Supply (the "SUPPLY COMPANY"), ROCKWELL TRANSPORTATION, LLC, a Michigan limited liability company (the "TRANSPORTATION COMPANY" and, together with the Supply Company, the "SELLERS"), T.K. INVESTMENT COMPANY, a Michigan partnership, which is owned equally by the family partnerships, CHILAKAPATI FAMILY LIMITED PARTNERSHIP, THAVARAJAH FAMILY LIMITED PARTNERSHIP (the "Family Partnerships"), the respective general partners of which are VIJAY KUMAR CHILAKAPTI, M.D. and KRISHNAPILLAI THAVARAJAH, M.D. and ROBERT L. CHIOINI, (T.K. INVESTMENT COMPANY, THE FAMILY PARTNERSHIPS, VIJAY KUMAR CHILAKAPTI, M.D., KRISHNAPILLAI THAVARAJAH, M.D. and ROBERT L. CHIOINI are hereinafter referred to individually as a "MEMBER" and jointly and severally as the "MEMBERS"), and ACQUISITION PARTNERS, INC., a Michigan corporation ("BUYER").

RECITALS

A. The Sellers own or lease equipment and real estate and are a party to various contracts in connection with their respective businesses of manufacturing concentrates and dialysis kits and supplying these and other products to the hemodialysis industry, in the case of the Supply Company, and transporting and delivering such products and supplies to the Supply Company's customers, in the case of the Transportation Company (collectively, the "BUSINESS").

B. Buyer wishes to purchase from the Sellers, and the Sellers wish to sell to Buyer, substantially all of the Sellers' assets, all upon the terms and conditions set forth in this Agreement.

THEREFORE, the parties agree as follows:

1 SALE AND PURCHASE OBLIGATIONS.

1.1 Sale and Purchase of Purchased Assets. Subject to the terms and conditions of this Agreement, at the Closing (as defined in Section 1.4), the Sellers shall sell, assign and transfer to Buyer, and Buyer shall purchase, the "Purchased Assets." The "PURCHASED ASSETS" means all of the following assets, properties, rights and claims of the Sellers of every type and nature and wherever situated:

(a) the Sellers' interest, as lessee, in the real property lease listed on the attached Exhibit 1.1(a) (THE "LEASE"), specifically including the Sellers' interest in all leasehold improvements;

(b) all of the machinery and equipment owned or leased by the Sellers, including, without limitation, the Sellers' machinery and equipment listed on the attached

Exhibit 1.1(b) (the "MACHINERY AND EQUIPMENT"), which the Sellers represent to be a true and complete exhibit listing all of the Machinery and Equipment they respectively own;

(c) all of the furniture, fixtures and leasehold improvements owned by the Sellers, including, without limitation, the Sellers' furniture and fixtures listed on the attached Exhibit 1.1(c) (the "FURNITURE AND FIXTURES"), which the Sellers represent to be a true and complete exhibit listing all of the Furniture and Fixtures they respectively own;

(d) all of the inventories owned by the Sellers, including, without limitation, raw materials, work-in-process, finished goods and supplies inventories and all of the Sellers' inventories listed on the attached Exhibit 1.1(d), which the Sellers represent to be a true and complete exhibit listing all of the inventories they respectively own (collectively, the "INVENTORIES");

(e) all of the tools and segments owned by the Sellers;

(f) all of the vehicles and other rolling stock owned or leased by the Sellers, including, without limitation, the Sellers' vehicles and rolling stock listed on the attached Exhibit 1.1(f) (the "VEHICLES"), which the Sellers represent is a true and complete exhibit listing all of the Vehicles;

(g) all of the intellectual property owned by the Sellers or which they have the right to use, including, without limitation, the right to use the names "Rockwell Medical Supply, LLC" and "Rockwell Transportation, LLC" and any variation of those names, the right to use the telephone number(s) used by the Sellers immediately before the Closing Date, all of the Sellers' know-how and trade secrets and all of the Sellers' trademarks, trade names, service marks, patents and copyrights listed on the attached Exhibit 1.1(g) (the "INTELLECTUAL PROPERTY"), which the Sellers represent to be a true and complete exhibit listing all of their respective Intellectual Property;

(h) all of the Sellers' rights, claims and payments under the contracts assumed by Buyer pursuant to Section 1.3(a), including, without limitation, any rights to receive payments for work performed on or before the Closing Date pursuant to such contracts;

(i) all of the Sellers' deposits, prepaid expenses, rights to refunds and other current assets that are not Excluded Assets;

(j) all of the Sellers' franchises, licenses and permits, including, without limitation, the Permits (as defined in Section 2.1.21);

(k) all of the Sellers' files, records, books and supplier and customer lists;

(l) all of the Sellers' goodwill; and

(m) All cash, bank deposits, accounts and notes receivable, deferred income tax benefits, life insurance policies (including their cash surrender values) and minute books owned by the Sellers at the Closing Date.

1.2 Consideration for Purchase.

1.2.1 Purchase Price. The aggregate consideration for the Purchased Assets shall consist of the following, subject to the adjustments described in this Section 1.2 (the "PURCHASE PRICE"):

(a) the assumption by Buyer of those liabilities described in Section 1.3(a) (the "LIABILITIES"), plus

(b) $2,085,452 in cash plus $465 each day between November 1, 1996 and the Closing (the "CASH AMOUNT").

1.2.2 Payments at the Closing. At the Closing, Buyer shall (i) execute and deliver to the Sellers an appropriate assumption of the Liabilities, (ii) pay to the Sellers the Cash Amount.

1.2.3 Adjustment for Members' Interim Cash Flow Funding. The Members agree to personally fund all cash flow needs of the Sellers in the period from the date hereof to the Closing up to a maximum of $150,000, whether by means of capital contributions for their respective member accounts, personal loans to the Sellers or otherwise. The Sellers agree to keep detailed books and records clearly accounting for any and all such funding provided by the Members. In the event that such capital contributions result in the aggregate Members' investment in the Sellers, as of the Closing Date, exceeding the Cash Amount set forth in Section 1.2.1(b) above, then at the Closing such Cash Amount shall be increased by the amount of such excess. Additionally, the Purchase Price is based upon net worth of the Sellers reflected on the Interim Financial Statements (defined below) ("Interim Net Worth"). An estimate of the net worth at the Closing will be made and the Cash Amount shall be reduced in an amount equal to the amount by which the estimated net worth at the Closing is less than the Interim Net Worth. Any final adjustments required based upon a definitive determination of the net worth after the Closing shall be made within 30 days of the Closing. These determinations shall be made by Buyer's accountants on the basis consistent with Sellers' past accounting practices and generally accepted accounting principles.

1.2.4 Allocation of Purchase Price. The aggregate consideration for the Purchased Assets shall be allocated among the Purchased Assets as set forth on Exhibit 1.2.4, which exhibit attached to this Agreement at the date of its execution is an estimate based on the estimated Purchase Price, and which exhibit shall be finalized and modified by agreement of the parties on or before the Closing Date. If the exhibit is not completed at the time of the execution of this Agreement, then as a condition to the Closing, it shall be completed prior to the Closing in a manner which is reasonably satisfactory to Sellers and Buyer. The parties agree that such

allocation shall be conclusive and binding for all purposes, and Buyer, the Members and the Sellers shall each file all income or other tax returns in a manner consistent with such allocation and consistent with the treatment of the purchase and sale of the Purchased Assets as taxable sales and purchases of the Sellers' assets and consistent with Buyer accounting for the Purchased Assets on its books and records for tax purposes at an aggregate value equal to the value of the consideration given by Buyer for the Purchased Assets.

1.3 Assumption of Liabilities.

(a) Except as expressly provided in this Section 1.3, Buyer shall assume no liabilities of the Sellers or the Members. Buyer shall assume the following liabilities of the Sellers: all obligations of the Sellers after the Closing Date under (i) the Lease, (ii) trade payables incurred in the normal course of the Business and (iii) the Sellers' purchase orders pursuant to which the Sellers provide products or services to their customers that have not been fully provided on or before the Closing Date (the "PURCHASE ORDERS"), all to the extent, and only to the extent, assigned to and assumed by Buyer at the Closing and marked "Assumed" on the attached Exhibit 2.1.14 (the "ASSUMED AGREEMENTS"). Upon the Closing, Sellers shall be released from all liabilities assumed pursuant to this Section 1.3.

(b) Without in any way limiting the generality of this Section 1.3 and except as otherwise provided in Section 1.3(a), the Sellers, and not Buyer, shall be responsible for all claims previously, now or later made on account of, or arising from, the business conducted by the Sellers, including, but not limited to, claims in the nature of environmental violations, infringement, product liability, defective performance, nonperformance and workers' compensation.

(c) All former employees of the Sellers hired by Buyer shall be considered "new hires" by Buyer, except for immigration and seniority purposes. In this regard, Buyer shall assume no past or future obligations of the Sellers to such employees, including specifically [any obligations under the Sellers' Profit Sharing Plan or] any obligations to pay severance pay, vacation pay, commissions, bonuses, pension benefits or similar benefits to such employees, and such obligations shall be and shall remain obligations of the Sellers as shall any similar obligations to any employees of the Sellers who are not hired by Buyer.

1.4 The Closing. The Closing under this Agreement shall be held at the offices of Honigman Miller Schwartz and Cohn, 2290 First National Building, Detroit, Michigan 48226 at 10:00 a.m. on or before December 16, 1996, or such other day and time as Buyer, the Members and the Sellers shall mutually agree upon in writing. The consummation of the transactions contemplated by this Agreement at such place and time are sometimes referred to in this Agreement as the "CLOSING," and such date is sometimes referred to as the "CLOSING DATE." At the Closing, the Sellers shall assign and convey the Purchased Assets to Buyer pursuant to Section 1.1, Buyer shall assume the Liabilities and shall pay or deliver the Purchase Price as described in Section 1.2, and Buyer, the Members and the Sellers shall comply with the applicable covenants and conditions to Closing set forth in Sections 3 and 4.

2 REPRESENTATIONS AND WARRANTIES.

2.1 Representation and Warranties of the Sellers and the Members. To the best of their knowledge, the Sellers and the Members, jointly and severally, represent and warrant to Buyer the following as of the date of this Agreement and as of the Closing Date:

2.1.1 Organization and Qualification. Each of the Sellers is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Michigan. No other jurisdiction has claimed that the Sellers are required to be qualified or otherwise authorized to do business in such jurisdiction.

2.1.2 Affiliates. Except for the Members and except as otherwise described in the attached Exhibit 2.1.2, there are no persons or corporations or any other business entities controlling, operating under the control of (including subsidiaries), or operating under common control with, the Sellers, the Members, the Members' immediate family, or their affiliates, in the operation of the Business of the Sellers, including, without limitation, any such relationship with suppliers or customers of the Sellers. For purposes of this Section 2.1.2, control shall mean ownership of 10% or more of the equity interest in an entity or effective control of the management and policies of an entity.

2.1.3 Authority Relative to This Agreement. The Sellers and the Members have all requisite power and authority to execute, deliver and comply with its obligations under the terms of this Agreement. Execution, delivery and performance by the Sellers of this Agreement have been duly authorized by all necessary action on the part of the Sellers, including authorization on behalf of the Sellers by its governing body and, if necessary, its shareholder. No other action on the part of the Sellers, the Members or any other individual, person or entity, including, without limitation, the Members' spouse, is necessary to authorize this Agreement or the consummation of the transactions contemplated by this Agreement. This Agreement has been duly and validly executed and delivered by the Sellers and the Members and constitutes a valid and binding obligation of the Sellers and the Members, enforceable against the Sellers and the Members in accordance with its terms, except as it may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting creditors' rights generally, and except as it may be limited by general principles of equity, regardless of whether such enforceability is considered in a proceeding at law or in equity.

2.1.4 Consents and Approvals; No Violation. Except as set forth in the attached Exhibit 2.1.4, neither the execution nor the delivery by the Sellers or the Members of this Agreement (including all agreements provided for in this Agreement) nor the consummation by the Sellers and the Members of the transactions contemplated by this Agreement (including all agreements provided for in this Agreement) nor compliance with the terms and provisions of this Agreement (including all agreements provided for in this Agreement) nor the assignment to Buyer of the Assumed Agreements, the transfer to Buyer of the Permits, the continued operation of the Sellers' Business or the use of the Sellers' assets by Buyer after the Closing, (a) will require any authorization, consent or approval of any governmental or regulatory authority or of

any other person or entity, (b) will violate or breach any provision of the Operating Agreement of the Sellers, (c) will accelerate any obligation under, violate or breach any provision of, constitute a default under, result in the creation of any lien or security interest under, result in the termination of, require the consent, authorization, approval or order of, or registration or filing with, any governmental agency or body or any third party under, or in connection with, any of the terms, covenants, provisions or conditions of (I) any approval, authorization or order of, or registration or filing with, any governmental agency or body or any third party, or (II) any note, bond, mortgage, indenture, deed of trust, license, franchise, permit, registration or other authorization, lease, contract (including, without limitation, the Assumed Agreements and the contracts described in Section 2.1.14), agreement or other instrument, commitment or obligation to which any of the Sellers or the Members is a party, or by which any of them or any of their respective properties or assets may be bound, (d) will violate any order, writ, injunction, decree, judgment, or arbitration award, or any statute, rule, regulation or ruling of any court or governmental authority, United States or foreign, applicable to the Sellers or the Members or to any of their respective properties or assets, all to the extent such requirement, violation, breach or default would have a material adverse affect on Sellers' or the Members' ability to perform their obligations under this Agreement, or (e) to the best of the Sellers' and the Members' knowledge, will cause any governmental or regulatory authority to conduct any examination, inspection or audit of the Sellers.

2.1.5 The Members. The Members control the vote or approval required to approve the transactions contemplated by this Agreement on behalf of the Sellers.

2.1.6 Financial Statements.

(a) The attached Exhibit 2.1.6(a) is a copy of the unaudited balance sheet of the Sellers as at December 31, 1995, and the related unaudited statements of income, retained earnings and cash flows for the fiscal year then ended, in each case, including the Notes to such financial statements. These financial statements (the "FINANCIAL STATEMENTS") have been prepared in accordance with generally accepted accounting principles on a basis consistent with such statements for prior periods and with such footnotes as are necessary to comply with generally accepted accounting principles. The balance sheet included in the Financial Statements fairly presents, as of its date, the financial condition and assets and liabilities of the Sellers, and the related statements of income, retained earnings and cash flows included in the Financial Statements fairly present the results of operations and cash flows of the Sellers for the fiscal year then ended. The Financial Statements contain proper accruals of all liabilities of the Sellers and such other adjustments which are necessary to fairly present the financial condition, results of operations, cash flows and assets and liabilities of the Sellers.

(b) The attached Exhibit 2.1.6(b) is a copy of the balance sheet of the Sellers as at September 30, 1996 and the related statements of income and retained earnings for the nine months then ended (the "INTERIM FINANCIAL STATEMENTS"). The balance sheet included in the Interim Financial Statements fairly presents, as of its date, the financial

condition and assets and liabilities of the Sellers, and the related statements of income and retained earnings included in the Interim Financial Statements fairly present the results of operations of the Sellers for the nine months then ended. The Interim Financial Statements contain proper accruals of all liabilities of the Sellers and such other adjustments which are necessary to fairly present the financial condition, results of operations and assets and liabilities of the Sellers.

2.1.7 Absence of Certain Changes or Events. Except as set forth in the attached Exhibit 2.1.7, since September 30, 1996, the Sellers have operated the Business only in the usual and ordinary manner and have used their best efforts to preserve their present Business organizations intact and their present relationships with persons having Business dealings with them, and there has not been:

(a) any material adverse change in the Sellers' respective business, prospects, operations, properties, assets, liabilities, competition, earnings or condition (financial or otherwise), or any failure by the Sellers to pay their debts when due;

(b) any event or condition of any character which, either individually or in the aggregate, might reasonably be expected materially and adversely to affect the Business, prospects, operations, properties, assets, liabilities, competition, earnings or condition (financial or otherwise) of the Sellers;

(c) any damage, destruction or loss (regardless of whether covered by insurance) materially and adversely affecting the Business, prospects, operation, properties, assets, liabilities, competition, earnings, or condition (financial or otherwise), of the Sellers;

(d) any declaration, setting aside or payment of any dividend or other distribution of anything that would otherwise be included in the Purchased Assets;

(e) any increase in the compensation paid, payable or to become payable by the Sellers to its officers, directors or employees, any hiring of new officers, directors or employees or any increase in any bonus, insurance, pension, or other employee benefit plan, payments or arrangement (including loans) made to, for or with any officers, directors, or employees, except that the Sellers has increased the compensation of its employees who are not shareholders or directors of the Sellers by not more than $10,000 a year in the aggregate;

(f) any entry into, amendment of, or termination of, any agreement, commitment, or material transaction by the Sellers, including, without limitation, any merger, consolidation, share exchange, acquisition or disposition of assets or stock or any financing transaction or capital expenditure not in the ordinary course of business;

(g) any properties or assets, real, personal or mixed, tangible or intangible, of the Sellers mortgaged, pledged or subjected to any security interest, lien or encumbrance;

(h) any shortage of raw materials or supplies experienced by the Sellers;

(i) any sale, assignment, transfer, lease, dividend, distribution or other disposition of any of the Sellers' property or assets or the Purchased Assets, other that sales of products in the ordinary course of business;

(j) any change in the customary shipping, purchasing, billing, payment, return, exchange or other business practices, policies or procedures of the Sellers;

(k) any change in the Sellers' methods of grading, classifying or pricing inventory for sale to customers; or

(l) any agreement or understanding to do any of the foregoing by the Sellers.

2.1.8 Miscellaneous Items Relating to Assets.

(a) Title. Except as set forth in the attached Exhibit 2.1.8(a), the Sellers has, and after giving effect to the transactions contemplated by this Agreement Buyer will have, good, valid and marketable title to, or, with respect to assets currently being leased, a valid leasehold interest in, all assets used by it in the operation of the Business, including, without limitation, all of the Purchased Assets, free and clear of all liens, encumbrances, restrictions, security interests, mortgages, pledges, burdens, claims, demands, rights and equities of any nature whatsoever, including, without limitation, the right to sell inventories free of any claims of manufacturers, licensors or others (collectively, "LIENS"), except and, with respect to the Real Property, except for customary utilities easements and such other encumbrances on, or exceptions to, the Sellers' title to the Real Property as shall not adversely affect the marketability of such title or its present use and which are acceptable to Buyer in its sole discretion (the "EXCEPTIONS"). Title to the Purchased Assets will be transferred by the Sellers to Buyer free and clear of all security interests, Liens, encumbrances, restrictions and other burdens, except for the Exceptions.

(b) Defects. There are no defects or damage with respect to the Purchased Assets, the Sellers' plants, buildings, structures, leasehold improvements, furniture, fixtures and equipment being used in the Business, except for normal maintenance, repair and replacement. Such properties and assets, including, without limitation the Purchased Assets are in conformity with all applicable laws and regulations and, except as set forth in the attached Exhibit 2.1.8(b), are in reasonable operating condition and repair, subject to normal wear and tear. There is no violation, and no existing event or circumstance that with the passage of time or the giving of notice would give rise to a violation, of any

building, zoning or other law, ordinance, rule or regulation (federal, state or local) in respect to such property, plants or structures.

2.1.9 Real and Personal Property.

(a) The attached Exhibit 2.1.9(a) is a complete and accurate list of all real property owned, leased, or used in connection with the operation of the Sellers, with a complete and accurate legal description of each parcel of real property. On the Closing Date, the Sellers will be the fee owner of, and will have marketable title to, such real property, subject only to the Exceptions.

(b) The attached Exhibits 2.1.9(b)(I) and 2.1.9(b)(II) are complete and accurate lists of all leases of real and personal property, respectively, to which the Sellers are a party. Each such lease, including, without limitation, each lease with related parties, is in good standing, is valid and binding on the parties to such lease, is in full force and effect in accordance with its terms and grants the lessee a valid and enforceable leasehold interest in the property described in the lease, and there is no default under any such lease nor do any facts exist that with the giving of notice or the passage of time or both would give rise to a default under any such lease. True copies of all such leases, including all modifications and amendments, have been supplied to Buyer. The Sellers has fully paid and fully performed all of its obligations and duties under all such leases which arise from, are on account of, or relate to, in any part, facts or events that occurred or will occur before the Closing. There are no taxes, assessments or other costs, expenses or charges which are due or paid in arrears relating to the real or personal property leases, for which accruals have not been made. The Sellers presently enjoys and has the right to quiet enjoyment of all real property leased by it, and there exists no fact that would preclude or interfere with such quiet enjoyment for the full term of each lease and any renewal options related to each lease.

(c) With respect to the Real Property, including the real property listed on Exhibit 2.1.9(a) and all other real property owned, leased or used by the Sellers in connection with the Business:

(i) the use of the Real Property by the Sellers does not violate any applicable zoning, building or use statutes, rules, ordinances or regulations of any federal, state, county or local entity, authority or agency, and no such violations that were outstanding at any time during the five years before the date of this Agreement. There is no existing or threatened condemnation or other legal action of any kind involving the Real Property which may affect the value or use of the Real Property. The Real Property is free and clear of any violations of any building, safety and health ordinances, statutes or regulations;

(ii) there are no contracts, leases or agreements in effect with respect to the Real Property of any kind or nature whatsoever, whether or not of record, except for the items listed on the attached Exhibit 2.1.9(b)(I);

(iii) there are no building, use, deed or contract restrictions relating to the current use of the Real Property; there is no threatened earth subsidence, earth movement or infestation affecting the Real Property or any buildings or improvements located on the Real Property and, to the best of the Sellers' and the Members' knowledge, there are no latent or patent structural defects on or in any buildings or improvements located on the Real Property. There is a dedicated road or right-of-way to each parcel of Real Property; the Sellers has all easements and rights of ingress and egress and for utilities and services necessary for all of its operations;

(iv) there are no unrecorded easements relating to the Real Property nor any special assessments or proposed special assessments relating to the Real Property; no federal, state or local taxing authority has asserted any tax deficiency, lien or assessment against the Real Property which has not been paid; and there are no third parties in possession or claiming rights to possession of the Real Property;

(v) there are no recorded easements which are inconsistent with the Sellers' present use of the Real Property and there are no outstanding accounts payable or fixed, choate or inchoate mechanics' liens or rights to claim a mechanics' lien in favor of any contractor, materialman or laborer or any other person or entity in connection with any portion of the Real Property and for which the underlying debt is unpaid, except for those that will be paid in the ordinary course of business; there has not been any work performed or materials supplied to the Real Property in the last 90 days which could give rise to the filing of such liens against the Real Property and for which the underlying debt is overdue; and

(vi) there are no encroachments from within or without the Real Property that adversely affect the use of the Real Property. The Sellers has provided Buyer with copies of all surveys relating to the Real Property.

2.1.10 Inventories. The Inventories, including, without limitation, the products, raw materials, work-in-process, finished goods, supplies and other inventories, of the Sellers have been purchased by the Sellers in the ordinary course of business and in compliance with all applicable requirements for imported goods; none of the Inventories are on consignment to or by the Sellers or subject to any sale or return arrangement with the Sellers or its customers, other than returns of products in the ordinary course of business consistent with the Sellers' return policies for prior years. All items of such Inventory are good, usable and saleable in the ordinary course of business and are not obsolete. The Sellers' purchase, manufacture and sale of inventories do not violate any manufacturers', licensors' or others' rights.

2.1.11 Licenses, Patents, Trademarks and Similar Rights.

(a) Exhibit 2.1.11(a) lists all of the permits, authorizations, approvals, licenses, patents, trademarks, service marks, trade names, copyrights, processes, designs, formulas, computer programs, inventions, proprietary manufacturing techniques, trade secrets, technology, research and development and know-how ("INTANGIBLES") in which the Sellers has any rights, liabilities or obligations and the expiration date, if any, of the rights under the Intangibles. With respect to the matters required to be listed on Exhibit 2.1.11(a), the Sellers, or one of them, is the sole owner or licensee of all of the Intangibles free from any restriction, right, encumbrance or other burden, except as otherwise described in Exhibit 2.1.11(a). Each Intangible is valid and binding and is in good standing, and there are no defaults or events that with the giving of notice or the passage of time or both could become an event of default under the Intangibles.

(b) There are no contracts pursuant to which the Sellers has authorized any person to use or pursuant to which any person has the right to use any of the Intangibles owned by the Sellers and all contracts pursuant to which the Sellers are authorized by any person to use any of the Intangibles not owned by the Sellers. Failure to renew, cancellation or termination of any of the contracts by which the Sellers are authorized to use any of the Intangibles of another party would not adversely affect the Business of the Sellers.

(c) Except as set forth in the attached Exhibit 2.1.11(a): (i) no Intangible, product, permits, authorizations, approvals, license, patent, process, method, substance, part or other material presently being sold or employed or contemplated to be sold or employed by the Sellers infringes on any rights owned or held by any other person, (ii) there is no pending or threatened claim or litigation against the Sellers contesting the right of the Sellers to sell or use any such Intangible, product, license, patent, process, method, substance, part or other material, and (iii) no Intangible, product, license, patent, process, method, substance, part or other material presently being sold or proposed to be sold or employed by any person infringes on or may infringe on any rights of the Sellers, nor is there pending or proposed, any patent, formulation, invention, device, application, or principle or any statute, law, rule, regulation, standard, or code, that would adversely affect any Intangible, product, process, method, substance, part or other material presently being sold or proposed to be sold or employed by the Sellers. No default has occurred, or will be caused by the transaction contemplated by this Agreement, in any contract which authorizes the Sellers to use any of the Intangibles owned by another party.

2.1.12 Absence of Undisclosed Liabilities.

(a) The Sellers has no liabilities, commitments, obligations, loans or indebtedness of any nature whatsoever, whether as primary obligor or guarantor or otherwise, and whether known or unknown, whether accrued, absolute, contingent or otherwise, whether liquidated or unliquidated, and whether due or to become due, and has

not pledged or granted a security interest in any of its assets, and there is no basis for the assertion against the Sellers of any debt, liability or obligation, other than (i) those reflected or reserved in the Interim Financial Statements, (ii) routine accounts payable incurred in the normal course of the Sellers' Business after September 30, 1996 and up to the Closing, and (iii) except as set forth on the attached Exhibit 2.1.12(a), all of which the Sellers will pay in the ordinary course of its business. No default or breach or alleged default or breach exists, and no facts or events exist that with the passage of time or the giving of notice or both could give rise to a default or breach, on the part of the Sellers under any of its liabilities, except as otherwise disclosed in the attached Exhibit 2.1.12(a).

(b) Except as set forth in Exhibit 2.1.12(b), the Sellers has no power of attorney outstanding or any obligations or liabilities as guarantor, surety, co-signor, endorser, co-maker, indemnitor or otherwise in respect to the obligations of any person, corporation, partnership, joint venture, association, organization or other entity.

2.1.13 [RESERVED]

2.1.14 Certain Contracts. Exhibit 2.1.14 contains a complete list of all contracts, obligations, plans, arrangements and commitments to which the Sellers are a party or has any liabilities or obligations, whether or not the subject contract is currently in effect, and whether oral (other than an oral contract terminable at will by the Sellers without any liability) or written, express or implied, including, without limitation, the following:

(a) any employment or consulting agreement, agreement with independent contractors or pension, disability, profit sharing, bonus, incentive, deferred compensation, stock purchase, stock option, stock appreciation right, restricted stock, group insurance, indemnification, severance pay, retirement or other employee benefit plan, policy, agreement, or arrangement;

(b) any collective bargaining or union contract or agreement;

(c) any indenture, mortgage, note, installment obligation, arrangement, agreement or other instrument relating to the borrowing of money or the guarantee of any obligation for the borrowing of money;

(d) any agreement, contract or other commitment that would limit the freedom of the Sellers, Buyer or any third party to compete in any line of business or with any person or in any geographical area or otherwise to conduct its business as presently conducted and proposed to be conducted;

(e) any contract or commitment for the future sale or provision, lease or purchase by the Sellers of materials, products, services or supplies (including, without limitation, leases and capital leases of real or personal property), which is not in the

ordinary course of business or which is in excess of $10,000 in the aggregate or which continues for a term of more than 30 days;

(f) any license or franchise agreement, including any agreement with respect to Intangibles or the Sellers rights, trade secrets or technology;

(g) any contract or commitment for the acquisition, construction, purchase or sale of fixed assets in excess of $10,000 per contract or commitment;

(h) any contract or commitment upon which the Business of the Sellers is substantially dependent;

(i) any contract or agreement, the performance of which will result in a loss or net expense to the Sellers in excess of $10,000;

(j) any order, decree, or judgment, whether entered by consent, stipulation, or otherwise, before, or in connection with, any court, administrative agency, or governmental authority (federal, state or local) to which the Sellers is a party or by which the Sellers or any of the Purchased Assets is bound;

(k) any contract, commitment, arrangement or relationship which is violative of any federal, state or local statute, law, rule, regulation or ordinance, including, without limitation, any such matter that would restrain trade or restrict competition; and

(l) any partnership, joint venture or similar agreement.

(m) any other material contract, commitment or agreement whether or not made in the ordinary course of business.

The Sellers has provided Buyer with a complete and accurate copy of each contract, including all amendments and modifications to such contracts, required to be listed in Exhibit 2.1.14 (the "CONTRACTS"). The Contracts are in full force and effect and are valid and binding obligations of the contracting parties and there are no past or present breaches or defaults or events that with the giving of notice of the lapse of time or both could become a default by the Sellers or by any other contracting party under any of the Contracts. All of the Assumed Agreements are assignable to Buyer without payment of any amount or change in any term and without the consent of any party, unless such consent has been obtained.

2.1.15 Tax Liabilities.

(a) The Sellers has properly completed and filed in correct form all federal, state and local tax and tax information returns of every nature required to be filed by it. No extension of time in which to file any such return is in effect. The Sellers has delivered to Buyer copies of all tax returns filed by the Sellers. All such tax or tax

information returns are true and correct in all material respects. The Sellers has duly paid or will pay on or before the Closing Date (regardless of whether the filing of a return is required) all taxes of every nature (including, without limitation, estimated taxes, deficiency assessments, penalties, interest and additions to taxes, income taxes (if any), property taxes, sales taxes, excise taxes, gross receipts taxes, franchise taxes, and employment taxes), to the extent such amounts have become due and payable (or claimed to be due and payable by any federal, state, county, local, foreign or other taxing authority) and has properly accrued its tax liabilities in the Financial Statements and the Interim Financial Statements.

(b) Except as disclosed in Exhibit 2.1.15, the Sellers' tax returns have not been audited. All federal, state and local income tax deficiencies proposed as a result of any audits or examinations of the Sellers have been paid, reserved against or settled. There are no liens upon any of the properties or assets of the Sellers or on any of the Purchased Assets for taxes due and payable, or interest or penalties thereon, and there are no pending or threatened tax examinations. No state of facts exists or has existed that would constitute grounds for the assessment of any further federal, state or local tax liability on the Sellers for any year. No waiver of any statute of limitations relating to the payment of taxes is in effect or is currently being requested.

(c) All taxes which the Sellers are required by applicable law, rules or regulations to withhold or collect have been duly withheld or collected and, to the extent required, have been or are being paid over to the proper governmental authorities on a timely basis.

2.1.16 Litigation.

(a) Except as set forth on Exhibit 2.1.16, there is no litigation or any legal, judicial, administrative, arbitration or other claim, demand, action, suit, proceeding or investigation, including, without limitation, antitrust, personal injury, patent infringement or property damage actions, pending or threatened against, brought on behalf of, or relating to the Sellers, its properties, liabilities or business, any of the Purchased Assets or the transactions contemplated by this Agreement or any injunctions, decrees, judgments, orders or writs currently in effect and involving or affecting the Sellers or any of the Purchased Assets.

(b) The Sellers and the Members do not know or have reasonable grounds to know of any dispute with any person under any contract which adversely affects, or may adversely affect, the assets, properties or Business of the Sellers or any of the Purchased Assets.

(c) Except for those noted on the attached Exhibit 2.1.16, there have been no official citations or notices of violations received or threatened from any court, administrative agency or governmental authority which relate to any aspect of the business

conducted by the Sellers, including, but not limited to, any such notices or citations from the Federal Food and Drug Administration, Occupational Safety and Health Administration, the Equal Employment Opportunity Commission, the Department of Justice, the Federal Trade Commission, or from any environmental protection agency or similar authority or agency (federal, state or local).

(d) There are no legal, administrative, arbitration or other actions or proceedings or governmental investigations, by or on behalf of any individual or any federal, state or local agency or authority pending or threatened against the Sellers relating to any federal, state, or local antitrust or trade regulation laws, rules or regulations, including, without limitation, those relating to restraints of trade or competition, unfair trade practices, contracts, arrangements, relationships or conspiracies in restraints of trade, price fixing, price discrimination, boycotts, or tying arrangements.

2.1.17 Pension and Benefit Plans and Compliance with ERISA.

(a) The Sellers has not ever established or maintained, or made contributions to, or incurred liability in connection with, any "employee welfare benefit plan" (as defined in Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA")) or any "employee pension benefit plan" (as defined in Section 3(2) of ERISA and not exempted under Section 4(b) or 201 of ERISA), including any "multi-employer pension plan" (as defined in Section 3(37) of ERISA), other than as set forth in Exhibit 2.1.17 (the "PLANS").

(b) Each Plan and any related trust agreements have been administered and enforced, and the form and operation of each Plan are, in accordance with their terms and all applicable laws, rules and regulations, including, without limitation, all applicable provisions of ERISA, the Internal Revenue Code of 1986, as amended (the "CODE"), and Internal Revenue Service, Department of Labor and Pension Benefit Guaranty Corporation regulations, rules, interpretations, guidelines and requirements (collectively, the "BENEFIT RULES").

(c) With respect to each Plan, (i) if intended or designed to qualify under Section 401(a) or 403(a) of the Code, such Plan has so qualified for its entire existence and its trust has always been exempt from taxation under Section 501(a) of the Code, (ii) no breaches of fiduciary duty have occurred, (iii) no disputes are pending or threatened, nor are there grounds for any dispute, (iv) no non-exempt prohibited transaction has occurred, (v) no reportable event has occurred, (vi) all contributions, benefits, premiums due, and all other payment obligations have been fully accrued in the Financial Statements and the Interim Financial Statements to the extent required by generally accepted accounting principles, and have been made or satisfied on a timely basis, (vi) all contributions made or required to be made under the Plan meet the requirements for deductibility under the Code, (vii) the Plan is not subject to either Section 412 of the Code or Section 302 of ERISA, (viii) all necessary governmental approvals have been

obtained, (ix) a favorable determination as to the qualification under the Code of the Plan and each amendment to the Plan and as to the tax exemption of its related trust has been made by the Internal Revenue Service, (x) the Plan, the related trust agreement or annuity contracts (or any other funding instruments) are legal, valid and binding and in full force and effect, (xi) all reporting, filing and disclosure requirements with respect to the Plan have been satisfied, and (xii) the Plan has never been examined or audited by the Internal Revenue Service, the Department of Labor, the Pension Benefit Guaranty Corporation or any other governmental agency.

(d) There are no unpaid liabilities whatsoever with respect to any of the Plans. This representation includes, but is not limited to, any liabilities arising from the termination, partial termination, continuation of the Plans or otherwise, such as required contributions to the Plans, required payments to the trusts or trustees, required payments to the Pension Benefit Guaranty Corporation, required payments to Plan participants, costs, expenses, penalties, taxes or liabilities incurred for or by reason of breach of fiduciary standards applicable to the Plans or otherwise. The Sellers has not engaged in a transaction in connection with which it directly or indirectly could be subject to either a civil penalty assessed pursuant to Section 501(i) of ERISA or a tax imposed by Section 4975 of the Code.

(e) The Sellers does not have any current or potential liability or obligation with respect to any multi-employer plan or a multiple employer plan, regardless of whether direct or indirect, actual or contingent.

(f) With respect to each Plan that is a "welfare plan" (as described in Section 3(1) of ERISA), (i) the Plan does not provide medical or death benefits with respect to current or former employees of the Sellers beyond the termination of their employment (other than coverage mandated by law), (ii) there are no reserves, assets, surplus or prepaid premiums under the Plan, and (iii) the Plan has been administered in compliance with Sections 601-608 of ERISA and Sections 162 or 4980B(f) of the Code, where applicable. The Pension Benefit Guaranty Corporation has not instituted proceedings to terminate any of the Sellers' employee welfare benefit plans.

2.1.18 Environmental and Occupational Matters. Except for the matters disclosed on Exhibit 2.1.18:

(a) All federal, state and local permits, licenses and authorizations required for, or used in, the construction, use and operation of the Real Property, the Purchased Assets or any of the Sellers' other property, both real and personal, including, but not limited to, furniture, fixtures, equipment and plants (all of which real and personal property is referred to in this Agreement as "RAP PROPERTY") have been obtained and are, except only for construction permits and licenses obtained for construction completed in accordance with all applicable requirements, presently valid and in full force and effect, and the Sellers has not been and is not in default or violation of any terms or conditions

or such permits, licenses or authorizations. A list of all such permits, licenses and authorizations is attached to this Agreement as Exhibit 2.1.18(a). The Members and the Sellers shall cooperate fully with Buyer in order to transfer such permits, licenses or authorizations, or to obtain new ones, for the construction, use and operation of the RAP Property and shall cooperate fully with Buyer in preparing and executing any and all documents necessary to obtain any of such permits, licenses or authorizations. Buyer shall have all such permits, licenses and authorization as of the Closing Date. No other permits, licenses or authorizations are necessary or required for the construction, use or operation of the RAP Property or any other aspect of the conduct of the Sellers' Business.

(b) Except as set forth on the attached Exhibit 2.1.18(b), (i) none of the RAP Property nor any property of the Sellers' or the Members' predecessors has been used to handle, treat, store or dispose of any chemical, hazardous, solid or toxic waste or substance, pollutant or contaminant ("HAZARDOUS SUBSTANCE"), and (ii) none of the RAP Property or any real property of the Sellers' or the Members' predecessors or any adjacent or adjoining real property, including, but not limited to, all air, atmosphere, soils, groundwaters and surface waters located on, in, over or under any RAP Property, adjacent or adjoining real property or real property of the Sellers' or Members' predecessors (collectively, the "PROPERTY"), is contaminated (nor has any of it ever been contaminated) with any Hazardous Substance or other substances or pollutants which contamination may give rise to any obligation under any federal, state, foreign or local law, statute, ordinance, code, rule, regulation, permit, consent, approval, license, authorization, judgment, order, writ, decree, injunction, policy, guidance (regardless of whether draft, proposed or final), publication, practice, pronouncement, promulgation, statement or ordinance, including, but not limited to, the federal Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section Section 9601 et seq and the common law (collectively, the "LAWS"), including, without limitation, obligations to investigate, remove substances or remediate. Further, no RAP Property or air or atmosphere of any sort or description, wherever situated, has, by reason of the handling, storage, transportation, treatment, disposal or emission of any Hazardous Substance or other substance or pollutant by the Sellers, the Members or their employees, agents or contractors been contaminated or adversely affected with or by such Hazardous Substances or other substances or pollutants which contamination or adverse effect has or may give rise to any liability or expense under or by reason of any of the Laws or any claim. There is no release or threatened release of any Hazardous Substance from or affecting the Sellers or any of the Property or that could result in any liability to the Sellers under any of the Laws. There has been no environmental damage or any past or present threat of any damage to the Sellers' or the Members' air, water or property, including, without limitation, the RAP Property.

(c) All tanks that, when considered with all associated piping, are located either wholly or partially below the surface of the ground and without regard to whether they are in contact with soil, within a building or containment structure or otherwise (all such tanks are referred to in this Agreement as "UNDERGROUND TANKS") located in, on,

over or under the Real Property are identified on Exhibit 2.1.18(c). Except as set forth on the attached Exhibit 2.1.18(c), all Underground Tanks are in a state of good condition and repair and have not leaked nor are they presently leaking any of the contents which they have held or presently hold. All Underground Tanks have been identified, registered, located, constructed, operated and maintained as required by any applicable Law.

(d) Except as set forth on the attached Exhibit 2.1.18(d), there are no outstanding violations of, or any administrative or consent decrees pending or entered against the Sellers or the Members regarding, environmental, occupational (meaning worker- or work-place-related), safety or land use matters or Laws, including, but not limited to, reporting requirements and matters affecting the emission of air pollutants, the discharge of water pollutants, the management of hazardous or toxic substances or wastes, noise. All operations conducted on, in, over or under the Real Property, whether by the Sellers, the Members, their predecessors or others, have been and are in compliance with all Laws relating to environmental compliance and control, including, but not limited to, occupational and safety related matters.

(e) There are no claimed, alleged, suspected or threatened violations affecting the Sellers, the Members, their predecessors or the Property with respect to any federal, state or local environmental, occupational or safety Laws, and there are no present discussions with any federal, state or local governmental agency concerning any alleged violation of environmental, occupational or safety Laws. There are no facts which could support any claims, allegations or threats or any claims of environmental, occupational or safety harm or damage caused by or attributable to, in whole or in part, the ownership or occupancy of the RAP Property or the Sellers' or the Members' activities or business. Further, and without limiting the foregoing, no adjacent or adjoining property owner or user has been claimed against as a result of, alleged to have been in violation of, or threatened with a violation of, any federal, state or local environmental Law and is not involved in any discussions with any federal, state or local governmental agency regarding any of the same. There are no pending or threatened claims, lawsuits or administrative proceedings against the Sellers, the Members or their predecessors regarding environmental, occupational or safety compliance, control or liability, and no facts exist which could give rise to any such claim, lawsuit or administrative proceeding.

2.1.19 Labor Matters. Except as disclosed in Exhibit 2.1.19, there are no unfair labor practice, equal employment opportunity or wage and hour complaints against the Sellers pending before the National Labor Relations Board or any other governmental or regulatory board or agency performing similar functions. There is no proceeding with respect to the Sellers actually pending or threatened before the National Labor Relations Board or any other governmental or regulatory board or agency performing similar functions. There is no labor strike, lock-out, sit-down, walkout, dispute, slow-down, disturbance or stoppage actually pending or threatened against or involving the Sellers. There is no pending representation question or organizational activities concerning the employees of the Sellers. The Sellers are in compliance with all laws regulating wages, hours or working conditions of employees. All obligations of the

Sellers to its past and current employees and agents that have become payable have been paid, including, without limitation, unemployment compensation payments, profit sharing and retirement benefits, social security and similar benefits, vacation and holiday pay, bonuses and other forms of compensation.

2.1.20 Compliance with Laws. The Sellers are in compliance with, and has complied with, all Laws applicable to it or its business.

2.1.21 Licenses and Permits. The attached Exhibit 2.1.21 is a complete and accurate list of all licenses, permits, registrations, orders, approvals and other authorizations (and all applications therefor) of federal, state, county or local governmental, regulatory or administrative agencies, bodies or authorities (the "PERMITS") held by, necessary to, required by, or used by, the Sellers in the conduct of its business, including, without limitation, all environmental, licenses, permits, registrations and other authorizations. Except as disclosed on Exhibit 2.1.21, all Permits are held by the Sellers and are in full force and effect; no violations have occurred with respect to any of such Permits, and no revocation, termination, limitation, withdrawal or inability to renew any of such Permits is pending or threatened. The Permits are transferable to Buyer without the payment of any amount by Buyer or the variation of any terms of such Permits, and the Sellers has obtained all necessary consents in connection with all such Permits relating to the sale of the Purchased Assets, including, without limitation, the transfer of the Permits to Buyer at the Closing. All of such Permits shall be in full force and effect on and after the Closing.

2.1.22 Information Supplied to Buyer. The Sellers has provided to Buyer complete and accurate lists and summary descriptions of the following items relating to the Sellers: (i) the names of all the present shareholders, directors, officers and employees of the Sellers, the date each of them was hired by the Sellers, each director's, officer's and employee's current annualized salary and most recent bonus (including the date such bonus was paid), and the date and amount his or her compensation was last increased, (ii) any retirement contracts or deferred compensation arrangements for employees of the Sellers, salaried or non-salaried, including formal and informal arrangements or plans, and the funding arrangements with respect to such contracts or arrangements, (iii) the Sellers' business practices and policies with respect to purchases, sales and returns, (iv) any employee manuals or other material setting forth the Sellers' policies as to employment of its personnel, and (v) the most recent determination letter issued by the Internal Revenue Service with respect to each Plan which is an employee pension benefit plan and the Annual Reports on Form 5500 Series required to be filed with any governmental agency for each Plan for the two most recent plan years of each Plan. All of the information provided by the Sellers or its officers, employees or agents to Buyer pursuant to this Section, the due diligence document request to the Sellers or otherwise are true, complete and accurate responses to such requests for information.

2.1.23 Suppliers and Customers.

(a) The Sellers have provided to Buyer a complete and accurate list and description of (i) all suppliers of products or services to the Sellers (other than legal or accounting services) aggregating more than $10,000 during the last calendar year, (ii) the address of each such supplier, (iii) the amount sold to the Sellers during such period, and the names of any sole source suppliers of goods or services to the Sellers, with respect to which practical alternative sources of supply are not available on comparable terms and conditions. To the best of Sellers' and the Members' knowledge, the consummation of the transactions contemplated by this Agreement will not result in the loss to the Sellers of any of its suppliers or customers and there are no pending or threatened developments with respect to any of the Sellers' its suppliers or customers which would have a material adverse effect on the Business, including, without limitation, any supplier or customer which has, or which has threatened to, cancel, terminate or change in a manner adverse to the Sellers its relationship with the Sellers.

(b) The Sellers have provided to Buyer a complete and accurate list of each customer of the Sellers, the address of each such customer, the amount purchased by each such customer from the Sellers, the terms of sale to all customers, the return rights granted to such customers (including, without limitation, any limits on the quantity of such returns), and the amount of returns (including quality rejections) from such customer during each of the two periods for which sales information is required to be given.

2.1.24 Business of the Sellers. To the best of the Sellers' and the Members' knowledge, there are no conditions existing with respect to the Sellers' markets, products, facilities or personnel which might materially adversely affect its Business or prospects, other than such conditions as may affect the entire industry in which the Sellers participates.

2.1.25 Insider and Inter-Sellers Transactions. A complete and accurate list and brief description of all contracts or other transactions involving the Sellers with respect to which the Members, any officer, director, employee or shareholder of the Sellers or any person related to any of the foregoing by blood or marriage is a party, or is in any other way involved, or has any obligations or liabilities with, is set forth in the attached Exhibit 2.1.25.

2.1.26 Members Conflicts. Neither the Sellers nor the Members has any direct or indirect interest in any person or entity which directly or indirectly competes with the Sellers, except as set forth on Exhibit 2.1.26.

2.1.27 Disclosure. No representation or warranty by the Sellers or the Members in this Agreement and no statement contained in any agreement, document (including, without limitation, the Financial Statements, the Interim Financial Statements and Exhibits to this Agreement), exhibit, certificate or other writing furnished by or on behalf of any of them pursuant to the provisions of this Agreement or otherwise contains any untrue statement of a material fact, misrepresents any material fact or omits any material fact necessary to make the

statements made or contained herein or therein not misleading, which misrepresentation or omission has an adverse effect on the Sellers, the Members, the Business, the assets, liabilities, operations, financial condition, operating results or prospects of the Business, the Purchased Assets or the condition (financial or otherwise) of the Sellers or the Members. The Sellers and the Members have disclosed to Buyer all material facts relating to the Sellers and the assets, liabilities, business, operations, financial condition, operating results, and prospects of the Sellers or relating to the Purchased Assets. An explicit, express disclosure contained in any Exhibit to this Agreement shall be deemed a disclosure with respect to any other Exhibit required by this Agreement as to which such disclosure is required.

2.2 Representations and Warranties of Buyer. Buyer represents and warrants to Sellers and the Members the following as of the date of this Agreement and as of the Closing Date:

2.2.1 Organization. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of Michigan.

2.2.2 Authority Relative to This Agreement. Buyer has all requisite power and authority to execute, deliver and comply with its obligations under the terms of this Agreement. Execution, delivery and performance by Buyer of this Agreement have been duly authorized by all necessary action on the part of Buyer, including authorization on behalf of Buyer by its Board of Directors and, if necessary, its shareholders. No other action on the part of the Buyer or any other individual, person or entity is necessary to authorize this Agreement or the consummation of the transactions contemplated by this Agreement. This Agreement has been duly and validly executed and delivered by Buyer and constitutes a valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the enforcement of creditors' rights generally, and except as may be limited by general principles of equity, regardless of whether such enforceability is considered in a proceeding at law or in equity.

2.2.3 No Violation. Neither the execution nor the delivery by Buyer of this Agreement nor the consummation by Buyer of the transactions contemplated by this Agreement: (a) will require any authorization, consent or approval of any governmental or regulatory authority or of any other person or entity, (b) will violate or breach any provision of the Articles of Incorporation or bylaws of Buyer, (c) will accelerate any obligation under, violate or breach any provision of, constitute a default under, result in the creation of any lien or security interest under, result in the termination of, require the consent, authorization, approval or order of, or registration or filing with, any governmental agency or body or any third party under, any of the terms or conditions of (I) any approval, authorization or order or, or registration or filing with, any governmental agency or body or any third party, or (II) any material note, bond, mortgage, indenture, deed of trust, license, franchise, permit, registration or other authorization, lease, contract, agreement or other instrument, commitment or obligation to which Buyer is a party, or by which it or any of its properties or assets may be bound, which would have a material adverse financial effect on Buyer, or (d) will violate any order, writ, injunction, decree, judgment, arbitration award, or any statute, rule, regulation or ruling of any court or governmental authority,

United States or foreign, applicable to Buyer or to any of its properties or assets, all to the extent such requirement, violation, breach or default would have a material adverse affect on Buyer's ability to perform its obligations under this Agreement.

2.2.4 [RESERVED]

2.2.5 Disclosure. No representation or warranty by Buyer in this Agreement and no statement contained in any agreement, document, certificate or other writing furnished by or on behalf of it pursuant to the provisions of this Agreement or otherwise contains any untrue statement of a material fact, misrepresents any material fact or omits any material fact necessary to make the statements made or contained herein or therein not misleading, which misrepresentation or omission has an adverse effect on the Buyer or its financial condition. An explicit, express disclosure contained in any Exhibit to this Agreement shall be deemed a disclosure with respect to any other Exhibit required by this Agreement as to which such disclosure is required.

3 COVENANTS.

3.1 Covenants of the Sellers and the Members.

3.1.1 Access for Audit. Between the date of this Agreement and the Closing Date, the Sellers and the Members shall cause the Sellers and its officers, directors, employees and agents to give Buyer and its officers, directors, employees, counsel, accountants, agents, designees and other authorized representatives full access during normal business hours to all of the facilities, assets, properties, books of account, leases, agreements, commitments, records and personnel of the Sellers and to the Purchased Assets and to furnish Buyer or its representatives with all such information concerning the Purchased Assets, the Business, the Sellers and the Members as Buyer may request, and to cooperate with Buyer, so that Buyer may have a full opportunity to make a full business, financial, accounting, environmental and legal audit of the Purchased Assets and the business and affairs of the Sellers and to assure compliance by the Sellers and the Members with all of their covenants, representations and warranties under this Agreement. Buyer will pay the costs of its audit, including the costs of any environmental audit and studies of the Sellers and the Purchased Assets. This audit may include, among other things:

(a) review and copying of books, records, contracts, financial statements, tax returns and other material documents of the Sellers;

(b) physical inspection of each of the assets and facilities of the Sellers, including, without limitation, the Purchased Assets;

(c) an audit of all contracts of the Sellers, including, without limitation, the Contracts and the Assumed Agreements;

(d) discussions with governmental agencies, customers, vendors, employees and creditors of the Sellers, subject to the Sellers' consent, which shall not be unreasonably delayed, conditioned or withheld; and

(e) environmental testing and assessments of the Sellers' RAP Property, (the "ENVIRONMENTAL AUDIT").

3.1.2 Operation of Business. Between the date of this Agreement and the Closing Date, except as otherwise expressly consented to in writing by Buyer, which consent shall not be unreasonably delayed, conditioned or withheld, or as otherwise expressly required by this Agreement:

(a) The business and operations of the Sellers and the operation of the Purchased Assets shall be conducted only in the ordinary course and without any changes in its the customary shipping, purchasing, billing, payment, return, exchange or other business practices, policies and procedures.

(b) No increase shall be made in and salary, wage, bonus, discretionary benefit or other compensation paid, payable or to become payable by the Sellers to its officers, directors, employees or agents, including, without limitation, any increase in any bonus, insurance, pension, or other employee benefit plan, payments or arrangements (including loans), except such increases that are agreed to by Buyer or are required by state and federal minimum wage laws. No new officers, directors or employees shall be hired by the Sellers.

(c) No agreement, lease, plan, other instrument or commitment, including, without limitation, any employment contract and any long-term commitment to purchase or lease, shall be entered into, amended or terminated, by or on behalf of the Sellers except in the ordinary course of business, and the Sellers shall not make any capital expenditures except in the ordinary course of business.

(d) Except as provided in Section 1.2.3, no indebtedness for borrowed money or other debt (other than normal trade payables in the ordinary course of business) or liability shall be assumed, incurred or contracted to be assumed or incurred, and no security interest, mortgage, lien, encumbrance or pledge shall be granted, by the Sellers or with respect to any of the Purchased Assets, and no loans shall be granted, other than normal trade credit in the ordinary course of business. The Sellers shall not incur or undertake to incur any obligations or any fixed or contingent liabilities or take any action or conduct except in the ordinary course of business.

(e) None of the Sellers, the Members or their officers, directors, shareholders, employees, agents or representatives shall, directly or indirectly, consummate or agree to consummate, solicit offers in connection with, encourage, pursue, enter into negotiations concerning, enter into any agreement or understanding or discussions with any other

individual, person or entity concerning, or furnish or cause to be furnished any information to any person in connection with, any merger, consolidation, share exchange, joint venture or other business combination or transaction involving the Sellers, the sale or other disposition of any shares of the Sellers' stock or all or any portion of the Sellers' assets or any of the Purchased Assets, except as provided in this Agreement.

(f) No sale, transfer, assignment, lease, dividend, distribution or other disposition of anything that would otherwise be included in the Purchased Assets shall be made or entered into by or on behalf of the Sellers, other than sales of products in the ordinary course of business.

(g) The Sellers shall not institute any change with respect to its management or supervisory personnel, and the Sellers and the Members shall use their best efforts to preserve intact the business organization of the Sellers and unless otherwise directed by Buyer, to retain the services of the officers and key employees of the Sellers. The Sellers and the Members shall use their best efforts to maintain the goodwill of the suppliers, customers and employees of, and of all others having business relationships with, the Sellers.

(h) The Sellers shall not change any of its methods of grading, classifying or pricing inventory for sale to customers.

(i) The Sellers shall not enter into any agreement or understanding to do any of the foregoing.

3.1.3 [RESERVED]

3.1.4 Preserve Business. The Sellers and the Members shall use their best efforts to preserve the business organization of the Sellers intact, to keep available the services of the Sellers' present officers and employees and to preserve the Sellers' goodwill, licenses, rights and authorities before and after the Closing. At no time before or after the Closing, shall Sellers or Members do anything to adversely impact the business of Sellers or Buyer or Sellers' or Buyer's relationships with vendors and customers, including, without limitation, its relationship with VIVRA Renal Care.

3.1.5 Accuracy of Representations. The Sellers and the Members shall do all things necessary to assure that all of their representations and warranties contained in this Agreement are true, in all material respects, at and as of the Closing.

3.1.6 Insurance. The Sellers shall maintain in force its existing insurance policies except to the extent they may be replaced with equivalent policies at lower rates approved in writing by Buyer, which approval shall not be unreasonably withheld. If, in the opinion of Buyer, additional coverage is required to keep adequately insured any properties of the Sellers or any of the Purchased Assets, the Sellers shall, at the written request and expense

of Buyer, obtain such additional insurance to the extent available from financially sound and reputable insurers for a period ending no sooner than the close of business on the Closing Date.

3.1.7 Approval of Sale of Purchased Assets. The Sellers and the Members shall cause all of the members of the Sellers to approve this Agreement and related agreements and the sale of the Purchased Assets contemplated by this Agreement and shall provide evidence of such approvals to Buyer at the Closing.

3.1.8 Updated Exhibits. Between the date of this Agreement and the Closing Date, the Sellers and the Members shall update the Exhibits to this Agreement to the extent necessary to make their representations and warranties contained in this Agreement true and accurate in all material respects as of the Closing Date and shall provide such updated Exhibits to Buyer on or prior to the Closing Date.

3.1.9 Consents. On or prior to the Closing Date, the Sellers and the Members shall obtain all of the authorizations, consents and approvals required to be set forth in Exhibit 2.1.4, including, without limitation, (i) all requisite consents, waivers, and approvals from third parties to all contracts or agreements to which the Sellers are a party or by which the Sellers are bound or which relate to the Purchased Assets, (ii) any consents required under the Assumed Agreements, and (iii) any consents required from the Sellers' lenders. The Members and the Sellers shall deliver evidence of such consents to Buyer on or before the Closing Date.

3.1.10 Delivery of Books and Records. The Sellers and the Members shall deliver all of the Sellers' books and records to Buyer at the Closing. Buyer shall allow the Sellers and the Members access to such books and records, relating to transactions on or prior to the Closing Date, during Buyer's normal business hours upon reasonable advance notice from the Members to Buyer.

3.1.11 [RESERVED]

3.1.12 Confidentiality and Non-Compete Agreements. The Sellers and the Members each shall execute, a Confidentiality and Non-Compete Agreement with Buyer for a term of five years precluding competition with Buyer in the Business in North America, in substantially the form attached as Exhibit 3.1.12 (collectively, the "CONFIDENTIALITY AND NON-COMPETE AGREEMENTS"), and deliver it to Buyer at the Closing.

3.1.13 Bank Debt; Capital Lease. Before the Closing, Sellers shall notify Buyer of the precise amount of principal, interest and other charges which are required to be paid to fully discharge all indebtedness of the Sellers to any financial institution, and Sellers shall cause such financial institutions to release any Liens they may have on any of the Purchased Assets at the Closing upon receipt of payment of such principal, interest and other charges.

3.1.14 Title Policies and Surveys. On or before the Closing Date, the Sellers and the Members shall obtain a standard ALTA lessee's title insurance policy in Buyer's name

for each parcel of the Real Property in the aggregate amount satisfactory to Buyer, subject only to such exceptions as are acceptable to Buyer (the "TITLE POLICY"). The Sellers and the Members shall sign such affidavits as are necessary to obtain the deletion of standard exceptions from the Title Policy. The Sellers and the Members shall also obtain a current A2 survey of the Real Property, which survey shall be in form and substance sufficient to permit the title insurer to delete any survey exception from the Title Policy. The Sellers and the Members shall also provide Buyer with the existing title policies, surveys and abstracts in respect of the parcels of Real Property. Buyer and the Sellers shall each pay one half of the total cost of the Title Policy and the related survey.

3.1.15 Environmental Remediation.

(a) Remediation Obligation. If the Environmental Audit discloses any conditions, facts or events (i) that appear to violate any Laws, (ii) that would violate the Sellers' and the Members' representations and warranties in Section 2.1.18 if not cured, or (iii) that, in Buyer's reasonable judgment requires or could require remediation under any Laws or could result in liability to Buyer under any Laws, then the Sellers and the Members shall promptly either (as chosen by Buyer in its sole discretion after notice to the Sellers of its choice and a reasonable opportunity for the Sellers to consult with Buyer, and to participate fully in negotiations with governmental agencies, concerning such choice and the required scope and method of such remediation) (i) cure such violation, perform such remediation and prevent such liability, or (ii) reimburse Buyer for all of its costs and expenses, including, without limitation, its reasonable costs and expenses of investigation, consultants, attorneys' and remediation, of curing such violation, performing such remediation and preventing and/or paying such liability.

(b) Arbitration of Disagreements. Notwithstanding anything in this Section 3.1.15 to the contrary if the aggregate cost of such cure, performance, prevention or reimbursement exceeds $10,000 and if Buyer and the Sellers disagree about the scope or method (or both) of such cure, performance, prevention, investigation or remediation, Buyer may proceed as described in Section 3.1.15(a), but such disagreement (to the extent such disagreement affects Buyer's obligations under Section 3.1.15(a)) shall be resolved by and through an arbitration proceeding to be conducted under the auspices of the American Arbitration Association (or any like organization successor thereto) in Detroit, Michigan as described in Section 6.4(b) and (c) (except that all references to Section 6.4 shall be deemed references to this Section 3.1.15).

3.1.16 [RESERVED]

3.1.17 [RESERVED]

3.1.18 Confidentiality. Between the date of this Agreement and the earlier of the Closing Date or the termination of this Agreement, the Sellers and the Members will hold in confidence all confidential and proprietary information and trade secrets of Buyer disclosed to

the Sellers or the Members in connection with this Agreement, subject to any legal requirement that the Sellers or the Members disclose such information.

3.1.19 Further Assurances. The Sellers and the Members will promptly prepare, execute and deliver to Buyer such lists, instruments and documents and cooperate with Buyer in such other respects as Buyer may from time to time, before or after the Closing reasonably request.

3.2 Covenants of Buyer.

3.2.1 Accuracy of Representations. Buyer shall do all things necessary to assure that all of its representations and warranties contained in this Agreement are true, in all material respects, at and as of the Closing.

3.2.2 Approval of Sale of Purchased Assets. Buyer shall cause its Board of Directors to approve this Agreement and related agreements and the purchase of the Purchased Assets contemplated by this Agreement and shall provide evidence of such approval to the Sellers at the Closing.

3.2.3 [RESERVED]

3.2.4 [RESERVED]

3.2.5 Confidentiality. Between the date of this Agreement and the earlier of the Closing Date or the termination of this Agreement, Buyer will hold in confidence all confidential and proprietary information and trade secrets of the Sellers and the Members disclosed to Buyer in connection with its investigation of the Sellers and the Purchased Assets, subject to any legal requirement that Buyer disclose such information.

3.2.6 [RESERVED]

3.2.7 [RESERVED]

4 CONDITIONS TO CLOSING.

4.1 Conditions to Buyer's Obligations. Without limiting any other rights or remedies which Buyer may have at law or in equity, the obligations of Buyer under this Agreement are subject to the satisfaction of the following conditions at or prior to the Closing; provided, that Buyer may waive the satisfaction of any such condition pursuant to a writing signed by Buyer:

4.1.1 Buyer's Obtaining Financing. Buyer shall have successfully raised sufficient monies to fund the Cash Amount through a private placement of its debt securities on a best efforts basis.

4.1.2 Buyer's Due Diligence Investigation. Buyer shall have been permitted by the Sellers and the Members to conduct and complete a full due diligence investigation of the Business and assets of the Seller, with the full cooperation of the Sellers and the Members and Buyer shall be satisfied with the results in the exercise of its discretion.

4.1.3 Accuracy of the Sellers' and the Members' Representations and Warranties. All representations and warranties made by the Sellers or the Members in this Agreement or in any agreement, document or statement which shall be delivered to Buyer pursuant to this Agreement, including, without limitation, the representations and warranties in Section 2.1, shall be true and correct, in all material respects, at and as of the Closing Date, with the same force and effect as though such representations and warranties had been made at and as of the Closing Date, and Buyer shall not have discovered any material error, misstatement or omission in the representations and warranties of the Sellers or the Members contained in this Agreement.

4.1.4 Compliance with Covenants. All actions, undertakings, covenants or agreements required to be performed by the Sellers or the Members before the Closing, including, without limitation, the covenants of the Sellers and the Members in Section 3.1 and Section 3.1.15, shall have been so performed or complied with, in all material respects, on or prior to the Closing Date, and the Sellers and the Members shall have delivered evidence of such compliance to Buyer on the Closing Date.

4.1.5 Certificate of Sellers Officers and the Members. The Sellers and the Members shall have delivered to Buyer a Certificate, dated as of the Closing Date, signed by the Members and the chief executive and principal financial officers of the Sellers certifying as to the fulfillment of the conditions specified in Sections 4.1.1 and 4.1.2. The individuals signing such Certificate shall have no personal liability with respect to such Certificate in the absence of their personal fraud.

4.1.6 Consents. The Sellers or the Members shall have obtained the approvals and consents to the transactions contemplated by this Agreement required to be set forth on Exhibit 2.1.4.

4.1.7 No Material Litigation. No action or proceeding shall have been instituted, threatened or concluded against the Sellers or the Members which materially adversely affects or may adversely affect the Business, business prospects or financial condition of the Sellers or any of the Purchased Assets, and no action or proceeding shall have been instituted, threatened or concluded by any governmental instrumentality, agency, or other person before any court or governmental agency to restrain, prevent or condition this Agreement or the consummation of the transactions contemplated by this Agreement, which, in the reasonable opinion of Buyer, makes it inadvisable to consummate such transactions.

4.1.8 No Material Casualty. There shall have been no material loss, damage or casualty to the Purchased Assets between the date of this Agreement and the Closing Date.

4.1.9 Delivery of Other Documents. The Sellers and the Members shall have delivered the documents required to be delivered by the Sellers and/or the Members pursuant to this Agreement.

4.1.10 No Material Change in Exhibits. There shall have been no material adverse change in the information required to be contained in the Exhibits to this Agreement from the information contained in such Exhibits at the date of this Agreement.

4.1.11 [RESERVED]

4.1.12 Operation of Business. During the period of time from the date of this Agreement to the Closing Date, the business of the Sellers shall have been operated in compliance with Section 3.1.2, and there shall have been no material adverse change in the business, prospects, operations, earnings, assets or financial condition of the Sellers since September 30, 1996.

4.1.13 Title. The Sellers shall have good and marketable title to the Purchased Assets free and clear of all mortgages, liens, restrictions, tenants or tenancies, easements, Liens, encumbrances or other charges or matters of title, other than the Exceptions and liens for taxes and assessments not yet due. Buyer shall have obtained the Title Policy, and the Title Policy shall be subject only to such exceptions as are acceptable to Buyer.

4.1.14 Transfer Documents. The Sellers and the Members shall have executed and delivered to Buyer a warranty deed for the Real Property, certificates of title for the Vehicles, duly endorsed for transfer to Buyer, and such bills of sale, assignments, patent assignments, certificates of title and any and all other instruments of conveyance and transfer as are reasonably required by Buyer and Buyer's counsel in order to effectively convey and transfer to Buyer the Purchased Assets, free and clear of all security interests, Liens, encumbrances, restrictions and other burdens, subject to the Exceptions, effective as of the Closing Date.

4.1.15 Agreements. The following agreements shall have been executed and delivered. The Sellers and the Members shall each have entered into a Confidentiality and Non-Compete Agreement with Buyer in the form of Exhibit 3.1.12.

4.1.16 Assignments of Agreements. Buyer shall have either received an assignment of the Assumed Agreements without breaching or terminating the related lease or agreement, or, with respect to the leases, executed leases between Buyer and the owners of such properties, which leases are reasonably satisfactory to Buyer.

4.1.17 Satisfactory Completion of Audit. Buyer shall have completed the audit described in Section 3.1.1, to the extent it so desires, and shall have been satisfied, in its sole discretion, with the results of such audit.

4.1.18 [RESERVED]

4.1.19 Other Requirements. The purchase of the Purchased Assets shall comply with any other applicable regulatory requirements.

4.1.20 Incomplete Exhibits. All of the parties to this Agreement recognize that the Exhibits referenced in this Agreement have not been completed, but will be completed prior to the Closing. Buyer must be fully satisfied in the exercise of its judgment with the contents of Exhibits when they are completed as a condition to its obligation to Close under this Agreement.

4.2 Conditions to the Sellers' and the Members' Obligations. Without limiting any other rights or remedies which the Sellers or the Members may have at law or in equity, the obligations of the Sellers and the Members under this Agreement are subject to the satisfaction of the following conditions at or prior to the Closing; provided that the Sellers and the Members may waive the satisfaction of any such condition pursuant to a writing signed by the Sellers and the Members:

4.2.1 Accuracy of Buyer's Representations and Warranties. All representations and warranties made by Buyer in this Agreement, including, without limitation, the representations and warranties in Section 2.2, shall be true and correct, in all material respects, at and as of the Closing Date, with the same force and effect as though such representations and warranties had been made at and as of the Closing Date.

4.2.2 Compliance with Covenants. All actions, undertakings, covenants, or agreements required to be performed by Buyer before the Closing, including, without limitation, the covenants of Buyer in Section 3.2, shall have been performed or complied with, in all material respects, on or prior to the Closing Date.

4.2.3 Certificate of Buyer's Officer. Buyer shall have delivered to the Sellers and the Members a Certificate, dated as of the Closing Date, signed by an officer of Buyer, certifying as to the fulfillment of the conditions specified in Sections 4.2.1 and 4.2.2. The individual signing such Certificate shall have no personal liability with respect to such Certificate in the absence of his or her personal fraud.

4.2.4 No Material Litigation. No action or proceeding shall have been instituted, threatened or concluded by any governmental instrumentality, agency, or other person before any court or governmental agency to restrain, prevent, or condition this Agreement or the consummation of the transactions contemplated by this Agreement.

4.2.5 Delivery of Other Documents. Buyer shall have delivered the documents required to be delivered by Buyer pursuant to this Agreement.

4.2.6 [RESERVED]

4.2.7 [RESERVED]

4.2.8 [RESERVED]

4.2.9 [RESERVED]

5 WARRANTIES; INDEMNIFICATION.

5.1 Survival. All representations, warranties, covenants and agreements by Buyer, the Sellers and the Members contained in this Agreement shall survive the execution and delivery of this Agreement and the Closing Date, notwithstanding any investigation made by or on behalf of Buyer. The indemnification provisions in this Section 5 and the obligations of the parties pursuant to these indemnification provisions shall survive the Closing and shall be binding upon, and fully enforceable against, Buyer on the one hand, and the Sellers and the Members jointly and severally on the other hand, and each of their respective successors and assigns. In addition to the indemnification provisions, Buyer, the Sellers and the Members shall have all other legal and equitable remedies provided by law for breach of this Agreement, including specific performance and consequential damages.

5.2 The Sellers' and the Members' Indemnification of Buyer. Regardless of whether the Closing occurs and regardless of any investigation made at any time by or on behalf of Buyer or any information Buyer or any of Buyer's directors, officers, employees, representatives, agents, attorneys, accountants, or consultants may have, the Sellers and the Members, jointly and severally, shall indemnify, defend and hold harmless Buyer and each of its affiliates, directors, officers, employees, agents, accountants, attorneys and representatives ("BUYER'S PERSONNEL") from and against any demand, claim, action, cause of action, damage, liability, loss, cost, debt, deficiency, expense, obligation, tax, assessment, public charge, lawsuit, contract, agreement, and undertaking of any kind or nature, whether known or unknown, fixed, actual, accrued or contingent, liquidated or unliquidated (including, without limitation, interest, penalties, additional federal, state or local taxes, reasonable attorneys' fees and other costs and expenses incident to this transaction or proceedings or investigations or the defense of any claim, whether or not litigation has commenced; provided that costs and expenses incident to this transaction shall be included in Buyer's Damages only if (i) all of the conditions to the Sellers' and the Members' obligations set forth in Section 4.2 are satisfied, and (ii) the Closing does not occur on the Closing Date) ("BUYER'S DAMAGES") arising out of, resulting from, or relating to, and the Sellers and the Members shall be, jointly and severally, obligated to pay Buyer on demand the full amount of any sum which Buyer or any of Buyer's Personnel pays or become obligated to pay on account of, or with respect to, any of the following:

(a) Any breach of any representation or warranty made by the Sellers or the Members in this Agreement, in any related agreement, in any Exhibit to this Agreement or in any of the documents executed in connection with this Agreement, including, without limitation, the Employment Agreements and the Confidentiality and Non-Compete Agreements. For purposes of this Article V, the "best of knowledge" standard contained in Article II shall be disregarded and Sellers and Members shall be required to indemnify

Buyer's Personnel if any representation and warranty is untrue, whether or not they had knowledge of such breach.

(b) Any failure of the Sellers or the Members duly to perform or observe any term, provision, covenant or agreement to be performed or observed by the Sellers or the Members pursuant to this Agreement, any related agreement or any of the documents executed in connection with this Agreement, including, without limitation, Members' Employment Agreement and Members' Confidentiality and Non-Compete Agreement;

(c) Any claim for warranty work or repairs or any claim for injury in connection with the work performed by the Sellers;

(d) The Sellers' failure to close this transaction as provided in this Agreement, which does not result from a failure of one or more of the conditions to the Sellers' obligations contained in Section 4.2 of this Agreement;

(e) Any acts or events relating to the Sellers or the Purchased Assets occurring, in whole or in part, on or before the Closing Date and any liabilities or obligations of the Sellers or the Members of any nature whatsoever or caused by the consummation of the transactions contemplated by this Agreement (including, without limitation, any actual or alleged liabilities to trade creditors or others that Buyer, in its reasonable commercial judgment, pays), except for the liabilities assumed by Buyer pursuant to Section 1.3(a), but such exception shall only apply to obligations under such liabilities arising after the Closing Date and not resulting from any breach, default or violation occurring, in whole or in part, on or before the Closing Date;

(f) Any of the matters described or required to be described in Exhibit 2.1.4, Exhibit 2.1.7, Exhibit 2.1.8(a), Exhibit 2.1.11(c), Exhibit 2.1.12(a), Exhibit 2.1.12(b), Exhibit 2.1.14 (to the extent such Contracts are not Assumed Agreements), Exhibit 2.1.15, Exhibit 2.1.16, Exhibit 2.1.17 (to the extent such plans are not Assumed Agreements), Exhibit 2.1.18(b), Exhibit 2.1.18(c), Exhibit 2.1.18(d), Exhibit 2.1.19, or Exhibit 2.1.25.

5.3 Buyer's Indemnification of the Sellers and the Members. Regardless of whether the Closing occurs, Buyer shall indemnify, defend and hold harmless the Sellers, the Members, and each of their affiliates, employees, agents, accountants, attorneys and representatives ("SELLERS' PERSONNEL") from and against any demand, claim, action, cause of action, damage, liability, loss, cost, debt, deficiency, expense, obligation, tax, assessment, public charge, lawsuit, contract, agreement, and undertaking of any kind or nature, whether known or unknown, fixed, actual, accrued or contingent, liquidated or unliquidated (including, without limitation, interest, penalties, additional federal, state or local taxes, reasonable attorneys' fees and other costs and expenses incident to this transaction or proceedings or investigations or the defense of any claim, whether or not litigation has commenced; provided that costs and expenses incident to this transaction shall be included in Sellers' Damages only if (i) all of the conditions to the Buyer's obligations set forth in Section 4.1 are satisfied, and (ii) the Closing does not occur on the

Closing Date) ("SELLERS' DAMAGES") arising out of, resulting from, or relating to, and Buyer shall be obligated to pay the Sellers and the Members on demand the full amount of any sum which the Sellers, the Members or any of Sellers' Personnel pays or becomes obligated to pay on account of, or in respect to, any of the following:

(a) Any breach of any representation or warranty made by Buyer in this Agreement;

(b) Any failure of Buyer duly to perform or observe any term, provision, covenant or agreement to be performed or observed by Buyer pursuant to this Agreement or any of the documents executed in connection with this Agreement, including, without limitation, the Employment Agreements, and the Confidentiality and Non-Compete Agreements;

(c) Buyer's failure to close this transaction as provided in this Agreement, which does not result from a failure of one or more of the conditions to Buyer's obligations contained in Section 4.1 of this Agreement; or

(d) Any acts or events relating to the Purchased Assets or the liabilities assumed by Buyer pursuant to Section 1.3(a) (to the extent not resulting from any breach, default or violation occurring, in whole or in part, on or before the Closing Date) occurring after the Closing Date, except as otherwise provided in Section 5.2.

5.4 Defense of Claims.

(a) If any party ("INDEMNIFIED PARTY") receives notice of, or discovers, any claim or the commencement of any action for which the other party or parties ("INDEMNITOR") is or may be liable under this Section 5 ("INDEMNIFIED CLAIM"), the Indemnified Party shall promptly notify the Indemnitor of such claim or action in writing and shall provide the Indemnitor with copies of any pleadings or other documents evidencing such Indemnified Claim. The Indemnitor shall be entitled to participate in the defense of any Indemnified Claim, and, if it so elects, to assume the defense of the Indemnified Claim, with counsel reasonably satisfactory to the Indemnified Party. After written notice from the Indemnitor to the Indemnified Party of such election to assume the defense, the Indemnitor shall not be liable to the Indemnified Party for any legal or other expenses subsequently incurred by the Indemnified Party in connection with the defense of the Indemnified Claim, other than costs and expenses of the Indemnified Party incurred at the request of the Indemnitor. The assumption of the defense of any such Indemnified Claim shall not be deemed an admission by the Indemnitor that it is liable for any such Indemnified Claim. Except as otherwise provided in this Agreement, the Indemnitor may, at its election, settle or compromise any Indemnified Claim but the Indemnified Party shall not settle or compromise any Indemnified Claim without the prior consent of the Indemnitor, unless the Indemnitor shall have failed or refused to assist the Indemnified Party in the defense of such Indemnified Claim or shall unreasonably

withhold its consent to a proposed settlement or compromise of such claim. The parties shall use their best efforts to agree on whether Buyer's Damages or Sellers' Damages exist, and if so, the amount. Any amounts determined to be owed shall be paid within 30 days after such determination.

(b) The parties agree to reasonably cooperate with each other in the defense of claims under this Agreement.

5.5 Limitation of Liability.

(a) The Sellers' and the Members' Limits. Notwithstanding anything in this Section 5 to the contrary, the Sellers and the Members shall not be liable to indemnify Buyer (i) for the first $25,000 in the aggregate of Buyer's Indemnified Claims; provided that this limitation shall not apply if Buyer's aggregate Indemnified Claims exceeds $25,000, in which case all of such claims may be asserted, including the first $25,000, or (ii) with respect to any of Buyer's Indemnified Claims unless either the Sellers or the Members shall have received written notice of such indemnification obligation within two years after the Closing Date, except for the "Buyer Unlimited Claims" (as defined below), for which there shall be no time limit other than the applicable statute of limitations. For purposes of this Agreement, "BUYER UNLIMITED CLAIMS" are any Indemnified Claims (i) for breach of the Sellers', the Members' or both or their representations or warranties concerning authority or title relative to this Agreement, including, without limitation the representations and warranties contained in Sections 2.1.1, 2.1.3, 2.1.4 and 2.1.8(a), (ii) for breach of the Sellers', the Members' or both of their representations or warranties contained in Sections 2.1.13, 2.1.15, 2.1.16, 2.1.17, 2.1.18 or 2.1.19, (iii) for breach of the Sellers', the Members' or both of their covenants or agreements contained in Sections 3.1.15 or 6.4, and (iv) pursuant to Section 5.2(c) or Section 5.2(e).

(b) Buyer's Limits. Notwithstanding anything in this Section 5 to the contrary, Buyer shall not be liable to indemnify the Sellers or the Members (i) for the first $25,000 in the aggregate of the Sellers' and the Members' Indemnified Claims; provided that this limitation shall not apply if the Sellers' and the Members' aggregate Indemnified Claims exceeds $25,000, in which case all of such claims may be asserted, including the first $25,000, or (ii) with respect to any of the Sellers' or the Members' Indemnified Claims unless Buyer shall have received written notice of such indemnification obligation within two years after the Closing Date, except for the "Sellers Unlimited Claims" (as defined below), for which there shall be no time limit other than the applicable statute of limitations. For purposes of this Agreement, "SELLERS UNLIMITED CLAIMS" are any Indemnified Claims for breach of Buyer's representations or warranties concerning authority relative to this Agreement, including, without limitation, the representations and warranties contained in Sections 2.2.1, 2.2.2 and 2.2.3.

5.6 Buyer's Right to Offset.

(a) Offset Right. Buyer shall have the right to offset any indemnification claims against the Sellers, the Members or any of Sellers' or the Members' successors or assigns, against the payment of the Cash Amount payable at the Closing. Such offset amounts shall be treated as if they were fully paid by Buyer to the Sellers.

(b) Non-Exclusive Remedy. This offset remedy of Buyer is not exclusive but is cumulative with all other remedies of Buyer against the Sellers or the Members under this Agreement, and this remedy does not in any way limit their liability to Buyer under this Agreement.

6 OTHER COVENANTS AND AGREEMENTS.

6.1 Bulk Transfer Provisions. If the bulk transfer provisions of the applicable states' Uniform Commercial Code were applicable to the transactions contemplated by this Agreement, it would be impractical to comply with such provisions. Accordingly, the Sellers and the Members covenant to indemnify, defend and hold Buyer and Buyer's Personnel harmless from any claims and demands of creditors of the Sellers arising out of failure to comply with the bulk transfer provisions if such provisions would be applicable, except for claims and demands in connection with the Liabilities; provided that such exception shall apply only to the extent such Liabilities do not resulting from any breach, default or violation occurring, in whole or in part, on or before the Closing Date.

6.2 [RESERVED]

6.3 [RESERVED]

6.4 [RESERVED]

6.5 [RESERVED]

6.6 [RESERVED]

6.7 [RESERVED]

6.8 Further Assurances. At any time from and after the Closing Date, the Sellers, the Members and Buyer shall execute and deliver any further instruments or documents and take all further action reasonably requested by any of the other parties to this Agreement to carry out the transactions contemplated by this Agreement.

6.9 Brokerage. All negotiations relative to this Agreement and the transactions contemplated in this Agreement have been carried on by the parties to this Agreement directly without the intervention of any person, and the consummation of the transactions under this

Agreement will not result in any liability by any party for any finder's fee, brokerage commission or other similar fee. Each party (the "PARTY") shall pay or discharge, and shall indemnify, defend and hold the other parties harmless from and against, any and all claims or liabilities for brokerage or other commissions or finder's or other fees resulting from any actions of the Party which are not in accordance with the preceding sentence.

6.10 Expenses. Each party to this Agreement shall pay his, her or its own expenses incident to this Agreement and the transactions contemplated in this Agreement, including, without limitation, counsel fees, brokerage, finder or financial advisor fees and accounting fees, except as provided in Section 6.11.

6.11 Transfer and Other Taxes. Sales, use, transfer, excise, recording, documentary and similar taxes applicable to the conveyance or transfer of the Purchased Assets or the recording or filing of any documents evidencing such conveyance or transfer, if any, shall be paid by the Sellers, and evidence of the payment of such taxes shall be furnished to Buyer upon its request.

6.12 No Disclosures. None of Buyer, the Sellers or the Members shall make any public disclosure or publicity release pertaining to the existence or subject matter of this Agreement without the consent of the other parties; provided, however, that Buyer and its affiliates and their directors, officers, employees and agents shall be permitted to make such disclosures to the public, to stock exchanges or to governmental agencies as either of them deems necessary to comply with any applicable securities laws or other laws.

7 MISCELLANEOUS.

7.1 Notices. Any notice or other communication required or which may be given under this Agreement shall be in writing and either delivered personally to the addressee, telegraphed, telecopied or telexed to the addressee, sent by overnight courier to the addressee or mailed, certified or registered mail, postage prepaid, and shall be deemed given when so delivered personally, telegraphed, telecopied or telexed to the addressee, or, if sent by overnight courier, one business day after the date so sent, or, if mailed, three business days after the date of mailing, as follows:

If to the Sellers or the Members:

Rockwell Medical Supply, LLC
Rockwell Transportation, LLC
28025 Oakland Oaks
Wixom, MI 48393
Attention:

Dr. Vijay Chilakapati
18100 Parkridge Drive
Riverview, MI 48192

	Dr. Krishapillai Thavarajah 15 Pinegate Drive Bloomfield Hills, MI 48304
With a copies to:	Burton H. Schwartz, Esq. Schwartz Law Firm Suite A 37887 W. Twelve Mile Road Farmington Hills, Michigan 48331
If to Buyer:	Acquisition Partners, Inc. 18640 Mack Avenue P.O. Box 36940 Grosse Pointe, Michigan 48236 Attention: Gary D. Lewis
With a copies to:	Patrick T. Duerr, Esq. Honigman Miller Schwartz and Cohn 2290 First National Building Detroit, Michigan 48226-3583

Any or the foregoing may change its address for notices by notice to the other parties.

7.2 Entire Agreement. This Agreement, including the exhibits, schedules, documents, certificates and instruments referred to in this Agreement, embodies the entire agreement and understanding of the parties to this Agreement with respect to the subject matter of this Agreement. There are no restrictions, promises, representations, warranties, covenants or undertakings, other than those expressly set forth or referred to in this Agreement. This Agreement supersedes all prior agreements, commitments and understandings, written or oral, between the parties with respect to such subject matter, and any such prior agreements or understandings are merged into this Agreement.

7.3 Governing Law and Forum. This Agreement shall be governed by the laws of the State of Michigan (regardless of the laws that might otherwise govern under applicable Michigan principles of conflicts of law) as to all matters, including, but not limited to, matters of validity, construction, effect, performance and remedies. Each of the parties consents to be subject to personal jurisdiction of the courts of Michigan, including the federal courts in Michigan, which shall be the sole and exclusive forum for the resolution of all disputes under this Agreement and its related documents.

7.4 Attorneys' Fees. If any party commences an action against any other party to enforce any of the terms, covenants, conditions or provisions of this Agreement or because of a default by a party under this Agreement, the prevailing party in any such action shall be entitled

to recover its reasonable attorneys' fees, costs and expenses incurred in connection with the prosecution or defense of such action from the losing party.

7.5 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may be executed by facsimile signatures.

7.6 Interpretation. The headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties and shall not in any way affect the meaning or interpretation of this Agreement. All references to "Sections" and "Exhibits" in this Agreement are, unless specifically indicated otherwise, references to sections of, and exhibits to, this Agreement. Whenever the singular is used, the same shall include the plural and vice versa, where appropriate. Words of any gender shall include each other gender where appropriate. The Exhibits to this Agreement are a part of this Agreement as if set forth in full in this Agreement.

7.7 Severability. If any provision of this Agreement is determined to be illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall have no effect on the other provisions of this Agreement, which shall remain valid, operative and enforceable. In addition, in lieu of such illegal, invalid or unenforceable provision, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

7.8 Waiver and Amendments. This Agreement may be amended, modified, superseded, cancelled, renewed or extended, and the terms and conditions of this Agreement may be waived, only by a written instrument signed by the parties or, in the case of a waiver, by the party waiving compliance. No delay on the part of any party in exercising any right, power or privilege under this Agreement shall operate as a waiver of such right, power or privilege, nor shall any waiver on the part of any party of any right, power or privilege under this Agreement, nor any single or partial exercise of any right, power or privilege under this Agreement, preclude any other or further exercise of such right, power or privilege under this Agreement. The rights and remedies under this Agreement are cumulative and are not exclusive of any rights or remedies which any party may otherwise have at law or in equity. Subject to Sections 2.1.27 and 2.2.5, the rights and remedies of any party arising out of, or otherwise in respect of, any inaccuracy in, or breach of, any representation, warranty, covenant or agreement contained in this Agreement shall in no way be limited by the fact that the act, omission, occurrence or other state of facts upon which any claim of any such inaccuracy or breach is based may also be the subject matter of any other representation, warranty, covenant, agreement or Exhibit contained in this Agreement (or in any other agreement between the parties) as to which there is no inaccuracy or breach.

7.9 Binding Effect; Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective permitted successors and assigns; provided, that the Sellers and the Members may not assign or transfer any of their

rights or delegate any of their obligations under this Agreement, and any purported assignment or transfer by the Sellers or the Members shall be void; and provided, further, that Buyer may assign its rights and delegate its duties under this Agreement to an affiliate of Buyer.

8 GLOSSARY. The following words and phrases are defined in the following Sections of this Agreement:

Word or Phrase	Section
Agreement	Introductory Paragraph
Assumed Agreements	Section 1.3(a)
Benefit Rules	Section 2.1.17(b)
Business	Recital A
Buyer	Introductory Paragraph
Buyer Unlimited Claims	Section 5.5(a)
Buyer's Damages	Section 5.2
Buyer's Personnel	Section 5.2
Cash Amount	Section 1.2.1(b)
Closing	Section 1.4
Closing Date	Section 1.4
Code	Section 2.1.17(b)
Confidentiality and Non-Compete Agreements	Section 3.1.12
Contracts	Section 2.1.14
Environmental Audit	Section 3.1.1(e)
ERISA	Section 2.1.17(a)
Exceptions	Section 2.1.8(a)
Financial Statements	Section 2.1.6(a)
Furniture and Fixtures	Section 1.1(c)
Hazardous Substance	Section 2.1.18(b)
Indemnified Claim	Section 5.4
Indemnified Party	Section 5.4
Indemnitor	Section 5.4
Intangibles	Section 2.1.11(a)
Intellectual Property	Section 1.1(g)
Interim Financial Statements	Section 2.1.6(b)
Inventories	Section 1.1(d)
Laws	Section 2.1.18(b)
Leases	Section 1.3(a)
Liabilities	Section 1.2.1(a)
Liens	Section 2.1.8(a)
Machinery and Equipment	Section 1.1(b)
Members	Introductory Paragraph
Party	Section 6.9
Permits	Section 2.1.21

Word or Phrase	Section
Plans	Section 2.1.17(a)
Property	Section 2.1.18(b)
Purchase Orders	Section 1.3(a)
Purchase Price	Section 1.2.1
Purchased Assets	Section 1.1
RAP Property	Section 2.1.18(a)
Real Property	Section 1.1(a)
Sellers	Introductory Paragraph
Sellers Unlimited Claims	Section 5.5(b)
Sellers' Damages	Section 5.3
Sellers' Personnel	Section 5.3
Supply Company	Introductory Paragrapy
Title Policy	Section 3.1.14
Transportation Company	Introductory Paragraph
Underground Tanks	Section 2.1.18(c)
Vehicles	Section 1.1(f)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth in the introductory paragraph of this Agreement.

BUYER: ACQUISITION PARTNERS, INC.

By: /s/ Gary D. Lewis

Its: Chairman of the Board

THE SELLERS: ROCKWELL MEDICAL SUPPLIES, LLC

By: /s/ Krishnapillai Thavarajah

Its: Member

ROCKWELL TRANSPORTATION, LLC

By: /s/ Krishnapillai Thavarajah

Its: Member

THE MEMBERS:

/s/ Vijay Kumar Chilakapati
VIJAY KUMAR CHILAKAPTI, M.D.

/s/ Krishnapillai Thavarajah
KRISHNAPILLAI THAVARAJAH, M.D.

/s/ Robert L. Chioini
ROBERT L. CHIOINI

T.K. INVESTMENT COMPANY

CHILAKAPATI FAMILY LIMITED
PARTNERSHIP

By: /s/ Vijay Kumar Chilakapati

Its: General Partner

THAVARAJAH FAMILY LIMITED
PARTNERSHIP

By: /s/ Krishnapillai Thavarajah

Its: General Partner

EXHIBIT INDEX

Exhibit Number	Description
1.1(a)	Lease to a Seller, as tenant
1.1(b)	Machinery and Equipment
1.1(c)	Furniture and Fixtures
1.1(d)	Inventories
1.1(f)	Vehicles
1.1(g)	Intellectual Property
1.2.4	Allocation of Purchase Price
2.1.2	Affiliates
2.1.4	Consents and Approvals
2.1.6(a)	Financial Statements
2.1.6(b)	Interim Financial Statements
2.1.7	Changes Since September 30, 1996
2.1.8(a)	Exceptions to Title
2.1.8(b)	Exceptions to Good Operating Condition
2.1.9(a)	Real Property
2.1.9(b)(I)	Real Property Leases
2.1.9(b)(II)	Personal Property Leases
2.1.11(a)	Patents, Trademarks, etc. and Infringements
2.1.12(a)	Liabilities
2.1.12(b)	Powers of Attorney; Guarantees
2.1.14	Contracts
2.1.15	Tax Audits
2.1.16	Litigation
2.1.17	ERISA Plans
2.1.18(a)	Environmental Permits
2.1.18(b)	Property Used in Connection With Hazardous Waste
2.1.18(c)	Underground Tanks
2.1.18(d)	Environmental Violations
2.1.19	Labor Claims
2.1.21	Licenses and Permits
2.1.25	Related Party Transactions
2.1.26	Competing Businesses
3.1.12	Form of Confidentiality and Non-Compete Agreement

EXHIBIT 10.5

FIRST AMENDMENT TO ASSET PURCHASE AGREEMENT

THIS FIRST AMENDMENT TO ASSET PURCHASE AGREEMENT ("FIRST AMENDMENT") is made as of January 31, 1997 by and among ROCKWELL MEDICAL SUPPLIES, LLC, a Michigan limited liability company d/b/a Rockwell Medical Supply (the "SUPPLY COMPANY"), ROCKWELL TRANSPORTATION, LLC, a Michigan limited liability company (the "TRANSPORTATION COMPANY" and, together with the Supply Company, the "SELLERS"), T.K. INVESTMENT COMPANY, a Michigan partnership, which is owned equally by the family partnerships, CHILAKAPTI FAMILY LIMITED PARTNERSHIP, THAVARAJAH FAMILY LIMITED PARTNERSHIP (the "FAMILY PARTNERSHIPS"), the respective general partners of which are VIJAY KUMAR CHILAKAPTI, M.D. and KRISHNAPILLAI THAVARAJAH, M.D. and ROBERT L. CHIOINI, (T.K. INVESTMENT COMPANY, THE FAMILY PARTNERSHIPS, VIJAY KUMAR CHILAKAPTI, M.D., KRISHNAPILLAI THAVARAJAH, M.D. and ROBERT L. CHIOINI are hereinafter referred to individually as a "MEMBER" and jointly and severally as the "MEMBERS"), and ACQUISITION PARTNERS, INC., a Michigan corporation ("BUYER").

RECITALS

A. On November 1, 1996, the Sellers, the Members and Buyer entered into an Asset Purchase Agreement (the "PURCHASE AGREEMENT") pursuant to which Buyer agreed to purchase and the Sellers agreed to sell substantially all of the Sellers' assets upon the terms and conditions set forth in the Purchase Agreement.

B. The parties to the Purchase Agreement believe it is in their respective best interests and desire to amend the terms and conditions of the Purchase Agreement as set forth in this First Amendment.

THEREFORE, the parties agree as follows:

1. Amendment to Section 1.2.1. Section 1.2.1 of the Agreement is hereby amended by the deletion of the defined term (the "CASH AMOUNT") in the second line of Section 1.2.1(b) and replacement of such term with the defined term (the "PAYMENT AMOUNT").

2. Amendment to Section 1.2.2. Section 1.2.2 of the Purchase Agreement is hereby amended by the deletion of Section 1.2.2 in its entirety and by the replacement of Section 1.2.2 with the following:

"1.2.2 Payment of the Purchase Price. At the Closing, the Purchase Price for the Purchased Assets shall be paid as follows:

(a) Buyer shall pay to the Supply Company an aggregate of $150,000 in cash (the "CASH AMOUNT"),

(b) Buyer shall pay to NBD Bank ("NBD") on behalf of the Supply Company $376,976.56 in cash (the "NBD AMOUNT"), which represents that amount which will be outstanding to NBD by the Supply Company under loan #0037028 made by NBD to Supply Company, and

(c) Buyer shall pay the remainder of the Purchase Price by delivery to the Supply Company of a 8.5% promissory note (the "NOTE") having a principal face amount equal to the Remaining Balance (as defined below) and providing for repayment in full of the principal amount plus all accrued interest on July 31, 1997 (the "MATURITY DATE"), in the form attached as Exhibit 1.2.2(c)I; provided, however, that the Note shall be subject to prepayment in accordance with Section 6.2 below. The obligations of Buyer under the Note shall be secured by a pledge of all of the shares of capital stock of Buyer (the "PLEDGED STOCK") owned by Gary D. Lewis ("MR. LEWIS"), Michael J. Xirinachs ("MR. XIRINACHS") and Robert L. Chioini ("MR. CHIOINI"), pursuant to a share pledge and escrow agreement in the form attached as Exhibit 1.2.2(c)II to this Agreement (the "PLEDGE AGREEMENT"). For purposes of this Agreement, the "REMAINING BALANCE" shall mean an amount calculated as follows: the Payment Amount, less the Cash Amount and less the NBD Amount."

3. Amendment to Section 1.2.3. Section 1.2.3 of the Agreement is hereby amended by the deletion of "$150,000" in the third line of such Section and the replacement of such deleted number with "$300,000" and by deletion of "Cash Amount" in the seventh, eighth and eleventh lines of such Section and the replacement of such deleted language with "Payment Amount". In addition, the following sentence shall be inserted between the first and second sentences of Section 1.2.3: "Any amount contributed to the Sellers pursuant to the preceding sentence shall bear interest at the rate of 8.5% per annum from the date of contribution through the Closing Date."

4. Amendment to Section 1.4. Section 1.4 of the Agreement is hereby amended by the deletion of "December 16, 1996" in the third line of such Section and the replacement of such deleted language with "February 4, 1997".

5. Amendment to Section 2.1.6. Section 2.1.6 of the Agreement is hereby amended by the deletion of Section 2.1.6(a) of the Agreement in its entirety. Section 2.1.6(b) of the Agreement is hereby amended by renumbering such Section as "Section 2.1.6(a)", by the deletion of "September 30, 1996" in the second line of such Section and the replacement of such deleted language with "October 31, 1996" and by the deletion of "nine" in the third and sixth lines of such Section and the replacement of such deleted language with "ten".

6. Deletion of References to "Financial Statements". The Agreement is hereby amended by the deletion of the following: the language "the Financial Statements and" in the twelfth line of Section 2.1.15(a) and in the seventh and eighth lines of Section 2.1.17(c); and the language "the Financial Statements," in the third line of Section 2.1.27

7. Amendments to Change References. The Agreement is hereby amended by changing all references in the Agreement to "September 30, 1996" to the date "October 31, 1996".

8. Amendment to Section 3.1.9. Section 3.1.9 of the Agreement is hereby amended by the addition of the following proviso to the end of the first sentence of such Section: ";provided, however, that Buyer shall be responsible for obtaining the consent of the landlord under the Lease to the assignment of the Lease to Buyer at the Closing."

9. Amendment to Section 4.1.1. Section 4.1.1 of the Agreement is hereby amended by the deletion of "Cash Amount" in the second line of such Section and the replacement of such deleted language with "Payment Amount".

10. Amendment to Section 4.1.6. Section 4.1.6 of the Agreement is hereby amended by the addition of the following exception to the end of such Section: ", except for the consent of the landlord under the Lease, which is the responsibility of Buyer to obtain."

11. Amendment to Section 4.2. Section 4.2 of the Agreement is hereby amended by the addition of the following sub-Sections to such Section:

"4.2.6 Consent to Assign Lease and Release of Guaranty. Buyer shall have obtained the consent of the landlord under the Lease to the assignment of the Lease from Supply Company to Buyer upon consummation of the transactions contemplated by this Agreement. Buyer also shall have obtained the termination and release by the landlord of the guaranty pursuant to which certain of the members have guaranteed the obligations of Supply Company under the Lease.

4.2.7 Pledge Agreement. The Pledge Agreement shall have been executed and delivered by Mr. Lewis, Mr. Xirinachs and Mr. Chioini."

12. Amendment to Section 5.6(a). Section 5.6(a) of the Agreement is hereby amended by the deletion of "Cash Amount" in the third line of Section 5.6(a) and the replacement of such deleted language with "Payment Amount".

13. Amendment to Section 6. Section 6 of the Agreement is hereby amended by the addition of the following sub-Sections to such Section:

"6.2 Prepayment of the Note. Buyer shall make mandatory prepayments of the Note on a monthly basis from the Closing Date through the Maturity Date determined as follows:

(a) Buyer shall pay 50% of the net cash proceeds (after deducting all fees and expenses incurred in generating such cash proceeds) of all issuances of capital stock of Buyer received by Buyer (the "SUBSCRIPTION PAYMENTS") during the period from the Closing Date through the Maturity Date (the "PREPAYMENT PERIOD").

(b) Mr. Lewis shall provide to the legal counsel of the Sellers, within five days of the beginning of each calendar month during the Prepayment Period, a notarized affidavit certifying as to the amount of Subscription Payments received by Buyer during the preceding calendar month, or such portion of a calendar month in cases when only a portion of the calendar month was within the Prepayment Period. If such affidavit indicates that Subscription Payments were received by Buyer during the preceding calendar month, Buyer shall make its required prepayment of the Note pursuant to Section 6.2(a) above, by delivery of a check to the Escrow Agent (as defined in the Pledge Agreement) concurrently with the delivery of the affidavit. The Escrow Agent will remit such payment to the Supply Company and release certain of the Pledge Stock to the pledgors thereof, in accordance with the Escrow Agreement.

6.3 Post-Closing Employee Salaries. Upon consummation of the Closing and during the Prepayment Period, Buyer shall not (a) increase the consulting fee payable to Wall Street Partners, Inc., a Michigan corporation, in excess of $25,000 per month, or (b) increase the compensation of any current employee of Buyer in excess of such employee's compensation level existing on the Closing Date, except that Buyer may increase the compensation payable to Donald Donald and Ruth Homsher by up to $5,000 per year per such employee.

6.4 Access to Books and Records. Beginning July 1, 1997 and continuing through the expiration of the Election Period (as defined in the Pledge Agreement), the Supply Company and its representatives and agents, at reasonable times and upon reasonable notice to Buyer and at no cost to Buyer, shall have access to the books and records of Buyer for the purpose of ascertaining Buyer's financial condition".

14. The Purchase Agreement. The term "Agreement" as used in the Purchase Agreement shall hereafter mean the Purchase Agreement as amended by this First Amendment and shall continue in full force and effect in accordance with the terms thereof and hereof. The Exhibits referenced in this First Amendment which were not a part of the Agreement when originally executed are attached to this First Amendment and shall be deemed a part of the Agreement. In the event of any inconsistency or conflict between this First Amendment and the Purchase Agreement, the terms and provisions of this First Amendment shall govern.

15. Governing Law and Forum. This First Amendment shall be governed by the laws of the State of Michigan (regardless of the laws that might otherwise govern under applicable Michigan principles of conflicts of law) as to all matters, including, but not limited to, matters of validity, construction, effect, performance and remedies. Each of the parties consents to be subject to personal jurisdiction of the courts of Michigan, including the federal courts of Michigan, which shall be the sole and exclusive forum for the resolution of all disputes under this First Amendment.

16. Counterparts. This First Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This First Amendment amy be executed by facsimile signatures.

IN WITNESS WHEREOF, the parties have executed this First Amendment as of the date set forth in the introductory paragraph of this First Amendment.

BUYER: ROCKWELL MEDICAL TECHNOLOGIES, INC.
(f/k/a Acquisition Partners, Inc.)

By: /s/ Gary D. Lewis

Its: President

SELLERS: ROCKWELL MEDICAL SUPPLIES, LLC

By: /s/ Robert L. Chioini

ROBERT L. CHIOINI, Member

By: T. K. INVESTMENT COMPANY, Member

By: CHILAKAPTI FAMILY LIMITED PARTNERSHIP

By: /s/ Vijay Kumar Chilakapati

Its: General Partner

By: THAVARAJAH FAMILY LIMITED PARTNERSHIP

By: /s/ Krishnapillai Thavarajah

Its: General Partner

(Signatures continued on next page.)

(Signatures continued from previous page.)

ROCKWELL TRANSPORTATION, LLC

By: CHILAKAPTI FAMILY LIMITED PARTNERSHIP, Member

By: /s/ Vijay Kumar Chilakapati

Its: General Partner

By: THAVARAJAH FAMILY LIMITED PARTNERSHIP, Member

By: /s/ Krishnapillai Thavarajah

Its: General Partner

THE MEMBERS:

/s/ Vijay Kumar Chilakapati,

VIJAY KUMAR CHILAKAPTI, M.D.

/s/ Krishnapillai Thavarajah

KRISHNAPILLAI THAVARAJAH, M.D.

/s/ Robert L. Chioini

ROBERT L. CHIOINI

T. K. INVESTMENT COMPANY

By: CHILAKAPTI FAMILY LIMITED PARTNERSHIP, Member

By: /s/ Vijay Kumar Chilakapati

Its: General Partner

By: THAVARAJAH FAMILY LIMITED PARTNERSHIP, Member

By: /s/ Krishnapillai Thavarajah

Its: General Partner

EXHIBIT 10.6

SECOND AMENDMENT TO ASSET PURCHASE AGREEMENT

THIS SECOND AMENDMENT TO ASSET PURCHASE AGREEMENT ("SECOND AMENDMENT") is made as of February 19, 1997 by and among ROCKWELL MEDICAL SUPPLIES, LLC, a Michigan limited liability company d/b/a Rockwell Medical Supply (the "SUPPLY COMPANY"), ROCKWELL TRANSPORTATION, LLC, a Michigan limited liability company (the "TRANSPORTATION COMPANY" and, together with the Supply Company, the "SELLERS"), T.K. INVESTMENT COMPANY, a Michigan partnership, which is owned equally by the family partnerships, CHILAKAPTI FAMILY LIMITED PARTNERSHIP, THAVARAJAH FAMILY LIMITED PARTNERSHIP (the "FAMILY PARTNERSHIPS"), the respective general partners of which are VIJAY KUMAR CHILAKAPTI, M.D. and KRISHNAPILLAI THAVARAJAH, M.D. and ROBERT L. CHIOINI, (T.K. INVESTMENT COMPANY, THE FAMILY PARTNERSHIPS, VIJAY KUMAR CHILAKAPTI, M.D., KRISHNAPILLAI THAVARAJAH, M.D. and ROBERT L. CHIOINI are hereinafter referred to individually as a "MEMBER" and jointly and severally as the "MEMBERS"), and ACQUISITION PARTNERS, INC., a Michigan corporation ("BUYER").

RECITALS

A. On November 1, 1996, the Sellers, the Members and Buyer entered into an Asset Purchase Agreement, which the parties thereto amended on January 31, 1997 pursuant to the First Amendment to Asset Purchase Agreement (as amended, the "PURCHASE AGREEMENT"), pursuant to which Buyer agreed to purchase and the Sellers agreed to sell substantially all of the Sellers' assets upon the terms and conditions set forth in the Purchase Agreement.

B. The parties to the Purchase Agreement believe it is in their respective best interests and desire to further amend the terms and conditions of the Purchase Agreement as set forth in this First Amendment.

THEREFORE, the parties agree as follows:

1. Amendment to Section 1.2.2(c).

(a) Section 1.2.2(c) of the Purchase Agreement is hereby amended by the deletion of Section 1.2.2(c) in its entirety and by the replacement of Section 1.2.2(c) with the following:

> "(c) Buyer will pay the remainder of the Purchase Price by delivery to the Supply Company of a 8.5% promissory note (the "NOTE") having a principal face amount equal to the Remaining Balance (as defined below) and providing for repayment of $500,000 on or before May 19, 1997 which payment will include all accrued interest to the payment date with any excess charged to principal and the remaining principal balance plus all accrued interest on January 31, 1998 (the "MATURITY DATE"), in the form

attached as Exhibit 1.2.2(c)I; provided, however, that the Note shall be subject to prepayment in accordance with Section 6..2 below. The obligations of Buyer under the Note shall be secured by a pledge of all of the shares of capital stock of Buyer (the "PLEDGED STOCK") owned by Gary D. Lewis ("MR. LEWIS"), Michael J. Xirinachs ("MR. XIRINACHS") and Robert L. Chioini ("MR. CHIOINI"), pursuant to a share pledge and escrow agreement in the form attached as Exhibit 1.2.2(c)II to this Agreement (the "PLEDGE AGREEMENT"). For purposes of this Agreement, the "REMAINING BALANCE" shall mean an amount calculated as follows: the Payment Amount, less the Cash Amount and less the NBD Amount."

(b) Exhibit 1.2.2(c)I of the Purchase Agreement is hereby replaced with the Exhibit 1.2.2(c)I attached to this Second Amendment.

2. Amendment to Section 1.4. Section 1.4 of the Agreement is hereby amended by the deletion of "February 4, 1997" in the third line of such Section and the replacement of such deleted language with "February 19, 1997".

3. Amendment to Section 6.2. Section 6.2 of the Agreement is hereby amended by the deletion of Section 6.2 in its entirety and by the replacement of Section 6.2 with the following:

"6.2 Prepayment of the Note. Buyer will pay 50% of the net cash proceeds (after deducting all fees and expenses incurred in generating such cash proceeds) of all issuances of capital stock of Buyer received by Buyer (the "SUBSCRIPTION PAYMENTS") during the period from the Closing Date through the Maturity Date (the "PREPAYMENT PERIOD"), to the extent that Buyer receives in excess of $1,750,000 of Subscription Payments during the Prepayment Period."

4. Amendment to Section 6.4. Section 6.4 of the Agreement is hereby amended by the deletion of Section 6.4 in its entirety and by the replacement of Section 6.4 with the following:

"6.4 Access to Books and Records. Beginning January 1, 1998 and continuing through the Election Period (as defined in the Pledge Agreement), the Supply Company and its representatives and agents, at reasonable times and upon reasonable notice to Buyer and at no cost to Buyer, shall have access to the books and records of Buyer for the purpose of ascertaining Buyer's financial condition."

5. The Purchase Agreement. The term "Agreement" as used in the Purchase Agreement (as defined in Recital A above) shall hereafter mean the Purchase Agreement as amended by this Second Amendment and shall continue in full force and effect in accordance with the terms thereof and hereof. In the event of any inconsistency or conflict between this Second Amendment and the Purchase Agreement, the terms and provisions of this Second Amendment shall govern.

6. Governing Law and Forum. This Second Amendment shall be governed by the laws of the State of Michigan (regardless of the laws that might otherwise govern under applicable Michigan principles of conflicts of law) as to all matters, including, but not limited to, matters of validity, construction, effect, performance and remedies. Each of the parties consents to be subject to personal jurisdiction of the courts of Michigan, including the federal courts of Michigan, which shall be the sole and exclusive forum for the resolution of all disputes under this Second Amendment.

7. Counterparts. This Second Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Second Amendment may be executed by facsimile signatures.

IN WITNESS WHEREOF, the parties have executed this Second Amendment as of the date set forth in the introductory paragraph of this Second Amendment.

BUYER: ROCKWELL MEDICAL TECHNOLOGIES, INC.
(f/k/a Acquisition Partners, Inc.)

By: /s/ Gary D. Lewis

Its: Chairman of the Board

THE SELLERS: ROCKWELL MEDICAL SUPPLIES, LLC

By: /s/ Robert L. Chioini

ROBERT L. CHIOINI, Member

By: T. K. INVESTMENT COMPANY, Member

By: CHILAKAPTI FAMILY LIMITED PARTNERSHIP

By: /s/ Vijay Kumar Chilakapati

Its: General Partner

By: THAVARAJAH FAMILY LIMITED PARTNERSHIP

By: /s/ Krishnapillai Thavarajah

Its: General Partner

(Signatures continued on next page.)

(Signatures continued from previous page.)

ROCKWELL TRANSPORTATION, LLC

By: CHILAKAPTI FAMILY LIMITED
PARTNERSHIP, Member

By: /s/ Vijay Kumar Chilakapati

Its: General Partner

By: THAVARAJAH FAMILY LIMITED
PARTNERSHIP, Member

By: /s/ Krishnapillai Thavarajah

Its: General Partner

THE MEMBERS:

/s/ Vijay Kumar Chilakapati

VIJAY KUMAR CHILAKAPTI, M.D.

/s/ Krishnapillai Thavarajah

KRISHNAPILLAI THAVARAJAH, M.D.

/s/ Robert L. Chioini

ROBERT L. CHIOINI

T. K. INVESTMENT COMPANY

By: CHILAKAPTI FAMILY LIMITED
PARTNERSHIP, Member

By: /s/ Vijay Kumar Chilakapati

Its: General Partner

By: THAVARAJAH FAMILY LIMITED
PARTNERSHIP, Member

By: /s/ Krishnapillai Thavarajah

Its: General Partner

EXHIBIT 10.7

ROCKWELL MEDICAL TECHNOLOGIES, INC.
28025 OAKLAND OAKS
WIXOM, MICHIGAN 48393

April 4, 1997

Rockwell Medical Supplies, LLC
Rockwell Transportation, LLC
T.K. Investment Company
Chilakapati Family Limited Partnership
Thavarajah Family Limited Partnership
Vijay Kumar Chilakapati, M.D.
Krishnapillai Thavarajah, M.D.
Robert L. Chioini

c/o Schwartz Law Firm
37887 W. Twelve Mile Road, Suite A
Farmington Hills, Michigan 48331

Gentlemen:

Reference is made to that certain Asset Purchase Agreement, dated as of November 1, 1996, as amended on January 31, 1997 and on February 19, 1997 (as amended, the "Asset Purchase Agreement"), by and among Rockwell Medical Technologies, Inc., a Michigan corporation, and the various addressees of this letter agreement. Capitalized terms used in this letter agreement and not otherwise defined shall have the meanings set forth in the Asset Purchase Agreement.

As you know, Buyer is in the process of engaging an investment banking firm to complete a private placement of its securities and to engage in an initial public offering of Buyer's securities. In order to facilitate the initial public offering, the parties to this letter have agreed as follows:

1. Upon receipt of the $500,000 prepayment of the Note, the Supply Company shall convert the remaining outstanding balance under the Note into shares of Non-Voting Preferred Stock of Buyer, in accordance with the terms of the Term Sheet attached to this letter agreement (the "Conversion"). The terms of the Term Sheet are incorporated by reference into this letter agreement.

2. Concurrently with the Conversion, the Note shall be cancelled and returned by the Supply Company to Buyer, the Pledge Agreement shall be deemed terminated and the Escrow Agent (as defined under the Escrow Agreement) shall deliver the Pledged Stock to the escrow agent under the escrow agreement referred to under paragraph II.C. of the Term Sheet.

3. The parties to this letter agreement shall execute such agreements, documents, instruments and certificates as are necessary or adviseable to carry out the terms of this letter agreement and to effect the Conversion and the other transactions related thereto.

4. Buyer shall reimburse the Supply Company for up to $1,000 of legal fees and expenses incurred by the Supply Company in connection with the transaction restructuring contemplated by this letter agreement upon proof of payment of such fees and expenses.

5. Except as amended herein, the Asset Purchase Agreement will remain in full force and effect.

If you are in agreement with the foregoing, please acknowledge your agreement by signing in the space provided below.

Very truly yours,

ROCKWELL MEDICAL TECHNOLOGIES, INC.

By: /s/ Robert L. Chioini

Its: President

/s/ Gary D. Lewis

Gary D. Lewis

/s/ Michael J. Xirinachs

Michael J. Xirinachs

Acknowledge and Agreed:

ROCKWELL MEDICAL SUPPLIES, LLC

By: /s/ Robert L. Chioini

ROBERT L. CHIOINI, Member

By: T. K. INVESTMENT COMPANY, Member

By: CHILAKAPTI FAMILY LIMITED PARTNERSHIP

By: /s/ Vijay Kumar Chilakapati

Its: General Partner

[Signatures continued on next page]

[Signatures continued from previous page]

By: THAVARAJAH FAMILY LIMITED
PARTNERSHIP

By: /s/ Krishnapillai Thavarajah

Its: General Partner

ROCKWELL TRANSPORTATION, LLC

By: CHILAKAPTI FAMILY LIMITED
PARTNERSHIP, Member

By: /s/ Vijay Kumar Chilakapti

Its: General Partner

By: THAVARAJAH FAMILY LIMITED
PARTNERSHIP, Member

By: /s/ Krishnapillai Thavarajah

Its: General Partner

T. K. INVESTMENT COMPANY

By: CHILAKAPTI FAMILY LIMITED
PARTNERSHIP, Member

By: /s/ Vijay Kumar Chilakapti

Its: General Partner

By: THAVARAJAH FAMILY LIMITED
PARTNERSHIP, Member

By: /s/ Krishnapillai Thavarajah

Its: General Partner

[Signaures continued on next page]

[Signatures continued from previous page]

/s/ Vijay Kumar Chilakapati
- --
VIJAY KUMAR CHILAKAPTI, M.D.

/s/ Krishnapillai Thavarajah
- --
KRISHNAPILLAI THAVARAJAH, M.D.

/s/ Robert L. Chioini
- --
ROBERT L. CHIOINI

CHILAKAPTI FAMILY LIMITED
PARTNERSHIP

By: /s/ Vijay Kumar Chilakapati

Its: General Partner

THAVARAJAH FAMILY LIMITED
PARTNERSHIP

By: /s/ Krishnapillai Thavarajah

Its: General Partner

TERM SHEET

RESTRUCTURING OF ROCKWELL PROMISSORY NOTE

I. Current Structure of Outstanding Debt:

A. Promissory Note in the amount of $1,916,664.17.

B. Prepayment of $500,000 under the Note to occur on or before May 19, 1997.

C. The Promissory Note is secured by a pledge of 2,000,000 shares of Common Stock owned by Mr. Lewis, Mr. Xirinachs and Mr. Chioini (the "Principal Shareholders"). Pledged shares are to be released pro rata as payments under the Note are received.

II. Proposed Restructured Deal:

A. Concurrently with the receipt by the Supply Company of the $500,000 prepayment under the Promissory Note, the Promissory Note will be cancelled and shares of Non-Voting Preferred Stock of Buyer, $1.00 par value, will be issued to the Supply Company at the rate of 1 share for each $1.00 of outstanding balance owed under the Promissory Note. The Preferred Stock will contain a 8.5% cumulative dividend.

B. Buyer will have an obligation to redeem the outstanding shares of Preferred Stock (at a redemption price of $1.00 per share plus any accrued but unpaid dividends) no later than January 31, 1998 (the "Redemption Date"). Buyer's obligation to redeem the shares of Preferred Stock will be guaranteed, on a non-recourse basis, by the Principal Shareholders pursuant to a guaranty to be entered into by each of the Principal Shareholders (the "Guaranty"). The Guaranty will be secured by the pledge of an amount of shares of Common Stock owned by the Principal Shareholders (the "Pledged Shares") determined by the following formula:

PLEDGED SHARES = (2,000,000 X (CA / 1,916,664.47)),

where CA = the amount outstanding under the Promissory Note at the time of cancellation.

C. The Pledged Shares will be held by an escrow agent ("Escrow Agent") satisfactory to the Supply Company and the Principal Shareholders in accordance with an escrow agreement (the "Escrow Agreement") containing terms which are similar to the existing escrow agreement among the parties and which is in a form reasonably satisfactory to the Principal Shareholders and the Supply Company.

D. Upon the redemption of all or any portion of the Preferred Stock, the Pledged Shares shall be released to the Principal Shareholders on a pro rata basis based upon the number of shares of Preferred Stock being redeemed versus the number of shares of Preferred Stock originally issued to the Supply Company (e.g., if Buyer redeems 50% of the Preferred Stock issued to the Supply Company, the Escrow Agent shall release 50% of the Pledged Shares to the Principal Shareholders).

E. In the event that Buyer fails to redeem the outstanding shares of Preferred Stock on the Redemption Date, the Supply Company shall have a period of 45 days following the Redemption Date (the "Election Period") to elect either (i) to exercise its rights under the Guaranty and the Escrow Agreement to retain the Pledged Shares which remain held by the Escrow Agent (other than Pledged Shares required to be released to the Principal Shareholders pursuant to D. above) in full satisfaction and discharge of the Guaranty and Buyer's obligation to redeem the Preferred Stock, or (ii) to terminate its rights under the Guaranty and to relinquish and terminate its security interest in the Pledged Shares and to proceed against Buyer to collect the outstanding redemption payment. Buyer shall make such election by delivery to the Escrow Agent, Buyer and the Principal Shareholders of written notice on or prior to the expiration of the Election Period specifying which remedy it has elected (the "Election Notice"). If the Supply Company fails to deliver such Election Notice as provided in the preceding sentence on or prior to the expiration of the Election Period, the Supply Company shall be deemed to have elected the remedy provided in clause (ii) above. During the Election Period and prior to the date on which the applicable parties receive the Election Notice, Buyer shall have the right to cure the failure to make the required redemption payment by payment of the redemption amount owing in respect of the Preferred Stock. Upon receipt of such payment, Escrow Agent shall release the Pledged Shares to the Principal Shareholders and remit such payment to the Supply Company.

F. In addition to the mandatory redemptions set forth above, Buyer will have the right to redeem additional shares of Preferred Stock at any time prior to the Redemption Date.

EXHIBIT 10.8

SHARE PLEDGE AND ESCROW AGREEMENT

THIS SHARE PLEDGE AND ESCROW AGREEMENT (this "Agreement"), dated as of July 22, 1997, is made by and among GARY D. LEWIS ("Mr. Lewis"), MICHAEL J. XIRINACHS ("Mr. Xirinachs"), ROBERT L. CHIOINI ("Mr. Chioini" and together with Mr. Lewis and Mr. Xirinachs, the "Pledgors"), ROCKWELL MEDICAL SUPPLIES, LLC, a Michigan limited liability company ("Creditor"), ROCKWELL MEDICAL TECHNOLOGIES, INC., a Michigan corporation (the "Company") and HONIGMAN MILLER SCHWARTZ AND COHN ("Escrow Agent").

RECITALS:

A. Pledgors are the legal and beneficial owners of an aggregate of 2,000,000 shares of the issued and outstanding common stock ("Common Stock") of the Company.

B. Pursuant to an Asset Purchase Agreement dated as of November 1, 1996, as amended (the "Asset Purchase Agreement"), by and among Creditor, Transportation Company (as defined therein), the Family Partnerships (as defined therein), the Members (as defined therein) and the Company, the Company has purchased substantially all of Creditor's and the Transportation Company's assets (the "Purchase Transaction").

C. In connection with the Purchase Transaction and pursuant to the terms of a Letter Agreement, dated as of April 4, 1997 among the parties to the Asset Purchase Agreement, the Company has issued to Creditor 1,416,664 Series A Preferred Shares, $1.00 par value per share (the "Preferred Shares"). Under the terms of the Company's Articles of Incorporation, the Company has an obligation to redeem the outstanding Preferred Shares, at a redemption price of $1.00 per share plus accumulated and unpaid dividends, on January 31, 1998 (the "Mandatory Redemption Date").

D. Pursuant to the terms of a Non-Recourse Guaranty (the "Guaranty"), dated as of the date hereof, made by the Pledgers in favor of Creditor, the Pledgors have guaranteed, on a non-recourse basis, the obligation of the Company to redeem the Series A Preferred Shares on or before the Mandatory Redemption Date. The Pledgors desire to pledge 1,478,260 shares (the "Shares") of Common Stock owned by them (554,348 of which Shares are owned by Mr. Lewis, 554,347 of which Shares are owned by Mr. Xirinachs, and 369,565 of which Shares are owned by Mr. Chioini).

E. The Pledgors and Creditor desire to have Escrow Agent hold the Shares as escrow agent, to receive Redemption Payments (as defined in Section 8) as agent for Creditor, and to release the Shares in accordance with the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions. In addition to the terms defined above or elsewhere in this Agreement, the following terms shall have the following meanings, unless the context otherwise requires:

"Collateral" shall have the meaning assigned to it in Section 2(c).

"Proceeds" shall have the meaning assigned to it under the UCC and, in any event, shall include, but not be limited to, (i) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to the Pledgors from time to time with respect to any of the Collateral, (ii) any and all payments (in any form whatsoever) made or due and payable to the Pledgors from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental body, authority, bureau or agency (or any person acting under color of governmental authority) and (iii) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral, including, without limitation, any and all dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of, or in exchange for, any of the Shares.

"UCC" shall mean the Uniform Commercial Code as in effect on the date hereof in the State of Michigan.

2. Pledgor's Pledge. As security for the obligations of the Pledgors under the Guaranty (the "Obligations"), the Pledgors hereby pledge and grant to Creditor, for its benefit, a continuing security interest in the following:

(a) the Shares, as evidenced by the stock certificates concurrently delivered to Escrow Agent (the "Certificates"), including all other types or items of property arising in respect of the Shares which are to be pledged to Creditor and held as Collateral under this Agreement;

(b) stock powers ("Powers") duly executed in blank; and

(c) the Proceeds of each of the foregoing (the Shares, the Powers and the Proceeds are collectively referred to as the "Collateral").

3. Appointment of Escrow Agent. Escrow Agent hereby agrees to act as escrow agent pursuant to this Agreement and acknowledges receipt of the Certificates and the Powers from the Pledgors. In addition, any additional Collateral which Escrow Agent shall receive shall be held by Escrow Agent pursuant to the terms of this Agreement. The parties acknowledge that Escrow Agent is acting as escrow agent under this Agreement as an accommodation to the parties and that Escrow Agent is legal counsel to the Company and Mr. Lewis (and not to any of the other parties to this Agreement) in connection with the Asset Purchase Agreement and the related transactions and represents Mr. Lewis and the Company in various other matters from time to time and may continue to act as legal counsel to Mr.

Lewis and the Company. The parties consent (i) to Escrow Agent acting as escrow agent under this Agreement and as legal counsel to Mr. Lewis and the Company and (ii) to Escrow Agent also representing the Pledgors and the Company and not any of the other parties to this Agreement, including, without limitation, in connection with any dispute or litigation between any of the parties to the Asset Purchase Agreement, this Agreement and any related agreement.

4. Preservation of Collateral. Except as provided in Section 10 below, Creditor shall not be required to insure or take any steps to collect or realize upon the Collateral or any dividends or other distributions on or in respect of the Shares. The Pledgors shall keep the Collateral free from all liens, claims and encumbrances other than those created by this Agreement (collectively, "Liens"), and pay and discharge, when due, all taxes, levies and other charges upon the Collateral.

5. Voting Rights; Dividends; Etc. During the term of this Agreement:

(a) So long as the Shares are held by Escrow Agent under this Agreement, the Pledgors shall be entitled to exercise any and all voting and other consensual rights pertaining to their respective Shares or any part thereof and Creditor shall execute and deliver (or cause to be executed and delivered) to the applicable Pledgor all such proxies and other instruments as such Pledgor may request for the purpose of enabling such Pledgor to exercise those voting and other rights which he is entitled to exercise pursuant to the foregoing.

(b) If the Pledgors shall become entitled to receive or shall receive any stock certificate (including, without limitation, any certificate representing a stock dividend or a distribution in connection with any reclassification, increase or reduction of capital, or issued in connection with any reorganization), option or rights, whether as an addition to, in substitution of, or in exchange for any Shares, or otherwise, the applicable Pledgor agrees to accept the same as agent for Creditor and to deliver the same forthwith to Escrow Agent in the exact form received, with the endorsement of such Pledgor when necessary or appropriate and undated stock powers duly executed in blank, to be held by Escrow Agent as additional Collateral for the Obligations.

(c) So long as the Shares are held by Escrow Agent under this Agreement, the Pledgors shall not be entitled to receive or retain any dividends or distributions paid in respect of such Shares whether paid or payable in cash or other property, whether in redemption of, or in exchange for such Shares, whether in connection with a partial or total liquidation or dissolution of the Company, or whether in connection with a reduction of capital, capital surplus or paid-in surplus of the Company or otherwise, and any and all such dividends or distributions shall be forthwith delivered to Escrow Agent to hold as Collateral and shall, if received by a Pledgor, be received in trust for delivery to Escrow Agent, be segregated from the other property or funds of such Pledgor, and be forthwith delivered to Escrow Agent as Collateral in the same form as so received (with any necessary endorsement).

6. Pledgor Representations. Each of the Pledgors represents, warrants and agrees severally, and not jointly, that:

(a) Such Pledgor is the legal and beneficial owner of such Pledgor's Shares and there are no outstanding options, warrants, convertible securities or other rights to acquire such Pledgor's Shares or any other capital stock of the Company.

(b) There are no restrictions upon the transfer of any of such Pledgor's Shares and such Pledgor has the right to pledge and grant a security interest in or otherwise transfer such Shares free of any Liens.

(c) This Agreement, and the transfer to Creditor of such Pledgor's Shares, creates a valid and perfected first priority security interest in such Shares in favor of Creditor, and all actions necessary or desirable to such perfection have been duly taken.

(d) Such Pledgor has made his own arrangements for keeping informed of changes or potential changes affecting the Collateral (including, but not limited to, rights to convert, rights to subscribe, payment of dividends, reorganization or other exchanges, tender offers and voting rights) and such Pledgor agrees that Creditor shall not have any responsibility or liability under this Agreement for informing such Pledgor of any such changes or potential changes or for taking any action or omitting to take any action with respect thereto.

(e) This Agreement and the Powers executed by such Pledgor have been duly authorized, executed and delivered by such Pledgor and each constitutes a legal, valid and binding obligation of such Pledgor, enforceable in accordance with its terms, except as limited by bankruptcy laws and equitable principles.

7. Terms and Conditions of Escrow Agent Duties. Acceptance by Escrow Agent of its duties under this Agreement is subject to the following terms and conditions, which all parties to this Agreement hereby agree shall govern and control the rights, duties and immunities of Escrow Agent:

(a) The duties and obligations of Escrow Agent shall be determined solely by the express provisions of this Agreement, and Escrow Agent shall not be required to take any actions except for the performance of such duties and obligations as are specifically set out in this Agreement.

(b) Escrow Agent shall not be responsible in any manner whatsoever for any failure or inability of the Pledgors, Creditor or anyone else to deliver Collateral to Escrow Agent or otherwise to honor any of the provisions of this Agreement.

(c) Escrow Agent will be fully protected in acting on, and relying upon, any written notice, direction, request, waiver, consent, receipt or other paper or document which

Escrow Agent in good faith believes to have been signed or presented by the proper party or parties, but will not act on oral instructions alone of any party.

(d) Escrow Agent will not be liable for any error of judgment, or for any act done or step taken or omitted by it in good faith or for any mistake in fact or law, or for anything which it may do or refrain from doing in connection with this Agreement, except for its own gross negligence, willful misconduct or an act of bad faith.

(e) Escrow Agent may seek the advice of legal counsel in the event of any dispute or question as to the construction of any of the provisions of this Agreement or its duties under this Agreement, and it will incur no liability and will be fully protected in respect of any action taken, omitted or suffered by it in good faith in accordance with the opinion of such counsel.

(f) Escrow Agent will be entitled to reimbursement of its expenses, including, without limitation, the fees and costs of attorneys or agents which it may find necessary to engage in performing its duties under this Agreement, all to be paid by the Pledgors and Creditor, and Escrow Agent will have, and is hereby granted, a prior lien upon any property, cash or assets held under this Agreement, with respect to its nonreimbursed expenses, superior to the interests of any other persons or entities.

(g) Escrow Agent will be, and hereby is, jointly and severally indemnified and saved harmless by the Pledgors, Creditor and the Company from all losses, costs and expenses (including reasonable attorneys' fees) which may be incurred by it as a result of its involvement in any litigation arising from performance of its duties under this Agreement; provided, that such litigation will not result from any action taken or omitted by Escrow Agent and for which it will have been adjudged grossly negligent or guilty of willful misconduct or bad faith; and, such indemnification will survive termination of this Agreement until extinguished by any applicable statute of limitations.

8. Release of Collateral Upon Receipt of Payment.

(a) Upon redemption of any portion of the outstanding Series A Preferred Shares by the Company on or before the Mandatory Redemption Date (any such redemption payment being referred to herein as a "Redemption Payment"), Escrow Agent shall release and deliver the Shares to the Pledgors on a pro rata basis based on the number of Series A Preferred Shares being redeemed versus the number of Series A Preferred Shares originally issued to Creditor (for example, if the Company redeems 50% of the Series A Preferred Shares, Escrow Agent shall release 50% of the Shares to the Pledgors).

(b) The Company shall pay any Redemption Payment to Escrow Agent and Escrow Agent shall receive such Redemption Payment and shall remit such Redemption Payment to Creditor or its designee as soon as practicable but in any event within three business days.

(c) Any Shares which are released to the Pledgors pursuant to Section 8(a) above shall not be subject to the pledge created by this Agreement or to the terms and conditions of this Agreement (including, without limitation, Section 10 below) and, concurrently with delivery of such Shares to the Pledgors, Creditor shall execute and deliver to each of the Pledgors proper instruments acknowledging the release of the pledge created by this Agreement and transferring such released Shares to the Pledgors.

9. Default. The failure of the Company to redeem the outstanding Series A Preferred Shares by the Mandatory Redemption Date shall constitute the "Default" hereunder.

10. Release of Collateral After Default.

(a) In the event of Default, Creditor shall have a period of 45 days following the Redemption Date (the "Election Period") to elect either (i) to exercise its rights under the Guaranty and retain the Collateral then held by Escrow Agent (other than Shares required to be released to the Pledgors pursuant to Section 8) in full satisfaction and discharge of the Company's obligation to redeem the Series A Preferred Shares and the Pledgors' obligations under the Guaranty, or (ii) to relinquish and terminate its rights under the Guaranty and its security interest in the Collateral and to proceed against the Company to enforce its rights to have the Series A Preferred Stock redeemed by the Company. Creditor shall make such election by delivery to Escrow Agent, the Company and the Pledgors of written notice on or prior to the expiration of the Election Period specifying which remedy it has elected (the "Election Notice"). If Creditor fails to deliver such Election Notice as provided in the preceding sentence on or prior to the expiration of the Election Period, Creditor shall be deemed to have elected the remedy provided in clause (ii) above. During the Election Period and prior to the date on which the applicable parties receive the Election Notice, the Company shall have the right to cure the Default by redeeming the outstanding Series A Preferred Shares. In the event the Company cures such Default, Escrow Agent shall release the Shares to the Pledgors and remit the Redemption Payment to Creditor in accordance with Section 8 above.

(b) If the Default remains uncured, upon receipt of the Election Notice, Escrow Agent shall (1) deliver the Collateral to Creditor if Creditor shall have elected the remedy provided in clause (i) of subsection 10(a) above, or (2) deliver the Collateral to the respective Pledgors if Creditor shall have elected the remedy provided in clause (ii) of subsection 10(a) above (or if Creditor shall have been deemed to elect such remedy by failing to deliver an Election Notice on or prior to the expiration of the Election Period). In the event Collateral is released to the Pledgors pursuant to clause (2) of this subsection 10(b), Creditor concurrently shall execute and deliver to each of the Pledgors proper instruments acknowledging the release of the pledge created by this Agreement and transferring such released Collateral to the Pledgors.

11. Termination Date. This Agreement shall terminate on such date as (a) all of the Obligations shall have been paid or performed in full, or (b) Escrow Agent shall have released all of the Collateral pursuant to Section 10 above (the "Termination Date").

12. Controversies. If a controversy arises between one or more of the parties to this Agreement, or between any of the parties to this Agreement and any person or entity not a party to this Agreement, as to whether or not or to whom Escrow Agent shall distribute any of the Collateral, or as to any other matter arising out of or relating to this Agreement or the Collateral, Escrow Agent shall not be required to determine the controversy and need not make any distribution of any of such Collateral but may retain the same until the rights of the parties to the dispute shall have finally been determined by agreement or by final order of a court of competent jurisdiction; provided, however, that the time for appeal of any such final order has expired without an appeal having been made. Escrow Agent shall distribute such Collateral within 15 days after Escrow Agent has received written notice of any such agreement or final order (accompanied by an affidavit that the time for appeal has expired without an appeal having been made). If a controversy of the type referred to in this Section 12 arises, Escrow Agent may, in its sole discretion, but shall not be obligated to, commence interpleader or similar actions or proceedings for determination of the controversy in a circuit court of, or federal district court in, the State of Michigan.

13. Resignation of Escrow Agent.

(a) Escrow Agent may resign as such following the giving of 30 days' prior written notice to the other parties to this Agreement. Similarly, Escrow Agent may be removed and replaced following the giving of 30 days' prior written notice to Escrow Agent by all of the other parties to this Agreement. In either event, the duties of Escrow Agent shall terminate 30 days after the date of such notice (or as of such earlier date as may be mutually agreeable), and Escrow Agent shall then deliver the balance of the Collateral then in its possession to a successor escrow agent as shall be appointed by all of the other parties to this Agreement, as evidenced by a written notice filed with Escrow Agent.

(b) If the other parties to this Agreement are unable to agree upon a successor escrow agent or shall have failed to appoint a successor escrow agent prior to the expiration of 30 days following the date of the notice of resignation or removal, the then acting escrow agent may petition any court of competent jurisdiction for the appointment of a successor escrow agent or other appropriate relief, and any such resulting appointment shall be binding upon all of the parties to this Agreement.

(c) Upon acknowledgment by any successor escrow agent of the receipt of the then remaining balance of the Collateral, the then acting escrow agent shall be fully relieved of all duties, responsibilities, and obligations under this Agreement, except with respect to actions previously taken or omitted by such escrow agent.

14. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

15. Entire Agreement; Amendment; Waiver; Headings; Counterparts. This Agreement and the Guaranty embody the entire agreement and understanding of the parties with respect to the subject matter of this Agreement. This Agreement may be amended, modified, superseded, cancelled, renewed or extended only by a writing signed by all of the parties hereto. No waiver of any provision of this Agreement shall be valid unless in writing and signed by the party against whom enforcement of the waiver is sought. The waiver by any party of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach. The headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the parties and shall not in any way affect the meaning or interpretation of this Agreement. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may be executed by facsimile signatures.

16. Successors; Assignment. This Agreement shall be binding upon and inure to the benefit of the parties to this Agreement, their heirs, personal representatives, successors and assigns. Notwithstanding the preceding sentence, no party may assign or transfer any of its rights or delegate any of its obligations under this Agreement without the prior written consent of each of the other parties hereto.

17. Notices, Etc. All notices, requests and other communications that are required or may be given under this Agreement shall be made by first class, certified or registered mail or similarly prompt means at the following addresses:

If to the Pledgors:

Mr. Gary D. Lewis
c/o Honigman Miller Schwartz and Cohn
2290 First National Building
Detroit, Michigan 48226
Attn: Patrick T. Duerr

Mr. Michael J. Xirinachs
266 Half Hollow Road
Dix Hills, New York 11746

Mr. Robert L. Chioini
38864 Equestrian South, #49205
Farmington Hills, Michigan 48331

With copies to:	Patrick T. Duerr, Esq. Honigman Miller Schwartz and Cohn 2290 First National Building Detroit, Michigan 48226
If to Creditor:	Rockwell Medical Supplies, LLC c/o Schwartz Law Firm Suite A 37887 W. Twelve Mile Road Farmington Hills, Michigan 48331 Attn: President
With copies to:	Burton H. Schwartz, Esq. Schwartz Law Firm Suite A 37887 W. Twelve Mile Road Farmington Hills, Michigan 48331
If to the Company:	Rockwell Medical Technologies, Inc. 28025 Oakland Oaks Wixom, Michigan 48393 Attn: Gary D. Lewis
If to Escrow Agent:	Honigman Miller Schwartz and Cohn 2290 First National Building Detroit, Michigan 48226 Attn: Patrick T. Duerr

18. Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which together shall constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. This Agreement may be executed by delivery via facsimile of a copy of an executed signature page.

19. Governing Law. This Agreement is a contract made under, and shall be governed by and construed in accordance with, the laws of the State of Michigan applicable to contracts made and to be performed entirely within such State and without giving effect to choice of law principles of such State. Each of the parties consents to be subject to the personal jurisdiction of the courts of Michigan, including the federal courts in Michigan, which shall be the sole and exclusive forum for the resolution of all disputes under this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

/s/ Gary D. Lewis

Gary D. Lewis

/s/ Michael J. Xirinachs

Michael J. Xirinachs

/s/ Robert L. Chioini

Robert L. Chioini

ROCKWELL MEDICAL SUPPLIES, LLC

By: /s/ Robert L. Chioini

Robert L. Chioini, Member

By: T. K. INVESTMENT COMPANY, Member

By: CHILAKAPATI FAMILY LIMITED PARTNERSHIP

By:/s/ Vijay Kumar Chilakapati

Its: General Partner

By: THAVARAJAH FAMILY LIMITED PARTNERSHIP

By:/s/ Krishnapallai Thavarajah

Its: General Partner

(Signatures continued on next page.)

(Signatures continued from previous page.)

ROCKWELL TRANSPORTATION, LLC

By: CHILAKAPATI FAMILY LIMITED PARTNERSHIP, Member

By: /s/ Vijay Kumar Chilakapati

Its: General Partner

By: THAVARAJAH FAMILY LIMITED PARTNERSHIP, Member

By:/s/ Krishnapallai Thavarajah

Its:General Partner

ROCKWELL MEDICAL TECHNOLOGIES, INC., a Michigan corporation

By:/s/ Robert L. Chioini

Its:President

HONIGMAN MILLER SCHWARTZ AND COHN

By: /s/ Patrick T. Duerr

Its: Partner

EXHIBIT 10.9

WIXOM BUILDING LEASE

GRAND OAKS INDUSTRIAL PARK

THIS LEASE AGREEMENT is made and entered into as of the date of the last signature shown on the signature page hereof, by and between OAKLAND OAKS, L.L.C., a Michigan limited liability company, whose address is 21520 Bridge Street, Southfield, Michigan 48034 ("Landlord"), and ROCKWELL MEDICAL SUPPLY, L.L.C., a Michigan limited liability company whose address is 811 Livernois, Ferndale, Michigan 48220 ("Tenant").

ARTICLE I
PRIMARY LEASE PROVISIONS

The following are the primary terms of this Lease.

1.01. Landlord. OAKLAND OAKS, L.L.C.

1.02. Tenant. ROCKWELL MEDICAL SUPPLY, L.L.C.

1.03. Leased Premises. Free standing light industrial building located at 28025 Oakland Oaks, Wixom, Michigan. Approximately 32,500 square feet of useable building area. (See Paragraph 2.01)

1.04. Term. Sixty (60) months. (See Paragraph 2-02)

1.05. Base Rent- $1,186,250.00. (See 1(3.01)

1.06. Monthly Installments (of Base Rent) $19,770.83. (See Paragraph 3.02)

1.07. Security Deposit. $ 39,541.66. (See Paragraph 13.04)

1.08. Permitted Use. Light manufacturing of dialysate for the medical profession and research related thereto. (See Paragraph 5.01)

1.09. Guarantors. Dr. Krishnapillai Thavarajah and Dr. Vijay Chilakapati.

ARTICLE II
GRANT AND TERM

2.01. Grant. Landlord, in consideration of the monies to be paid and the covenants to be performed by Tenant, does hereby demise unto Tenant, and Tenant hereby leases from Landlord, the demised premises, specified in Paragraph 1.03 hereof, including the real property, parking areas, building, and improvements thereon (the "Leased Premises"). The Leased Premises contains an approximate rentable building floor area specified in Paragraph 1.03 hereof. Tenant shall be the sole occupant of the Leased Premises.

2.02. Term. The term of this Lease shall be for the period specified in Paragraph 1.04 (the "Term"), commencing on the Commencement Date, defined below.

(a) Commencement Date. The "Commencement Date" shall be the earlier to occur of (a) the date Landlord notifies Tenant in writing that the Leased Premises are ready for occupancy including issuance of a temporary certificate of occupancy by the City of Wixom, and completion of Landlord's Work, as defined below, or (b) the date on which Tenant or anyone claiming by, under or through Tenant shall first occupy any portion of the Leased Premises, including for the purpose of installing trade fixtures and

furnishings or otherwise to make the Leased Premises ready for the conduct of Tenant's business. If Tenant occupies the Leased Premises prior to Landlord's completion of Landlord's Work, Tenant shall not interfere with Landlord's Work, Tenant's occupancy shall be at its own risk, and Landlord shall not be liable for any loss or damage to Tenant's personal property during the period of time during which both Tenant and Landlord are working within the Leased Premises.

(b) Landlord's Work. For purposes of this Paragraph, "Landlord's Work" shall be defined as those alterations and improvements to be constructed by Landlord as described in Exhibit "All attached hereto. Landlord's Work shall be deemed completed, and the Leased Premises shall conclusively be deemed available for occupancy by Tenant when Landlord's architect certifies in writing that Landlord's Work has been substantially completed. Landlord's work shall be deemed substantially completed notwithstanding that (a) certain minor or non- material details of construction, mechanical adjustment or decoration ("punchlist items") are incomplete, or (b) portions of Landlord's Work are incomplete because such work cannot be performed until work to be performed by or on behalf of Tenant is completed. In the event Landlord is delayed in completing Landlord's Work by any delay, interference or hindrance of such work by Tenant, Tenant's contractors or any of their employees or agent's, or by any changes in such work requested by Tenant and agreed to by Landlord, or by Tenant's failure timely and properly to perform any of its obligations imposed pursuant to any work agreed upon between Landlord and Tenant, the Leased Premises shall conclusively be deemed substantially completed and available for occupancy on the date on which the same would have been completed in the absence of such delay, which date shall be determined by Landlord in its sole discretion.

(i) Landlord hereby warrants, for a period of one (1) year after the Commencement Date, that the Leased Premises, including but not limited to Landlord's Work, shall be constructed free from defects in materials and workmanship ("Defect"). If one or more Defects are discovered in the Leased Premises, including Landlord's Work, Tenant must notify Landlord, in writing, of the particular Defect(s) claimed. After receipt by Landlord of written notice of a claimed Defect, Landlord will inspect the claimed Defect(s). If a Defect is confirmed by Landlord,, Landlord will repair or replace such Defect, at its sole option, within one hundred twenty (120) days after Landlord's inspection (longer if weather conditions, Acts of God, labor problems, materials shortages, or other "force majeure" or "force majesture" events cause delays). Tenant shall grant Landlord access to the Leased Premises at all reasonable times to inspect any claimed Defect(s) and to remedy any confirmed Defect(s), and Tenant shall not interfere with Landlord and its agents in any such inspections or repairs. Landlord must receive written notification from Tenant of any claimed Defect not later than one (1) year after the Commencement Date, or Landlord shall have no obligation to remedy such Defect.

(ii) The preceding warranty provision specifically EXCLUDES coverage of all of the following: (A) damage or Defect caused by abuse or abnormal usage, modifications by Tenant, improper or insufficient maintenance, improper operation, acts of third parties, normal wear and tear under normal usage, Acts of God or the elements; (B) Defects which are the result of characteristics common to the materials used, including, by way of illustration only and not in limitation, warping and deflection of wood; cracking, fading, chalking, peeling and checking of paint; cracks due to drying and curing of concrete, cement, masonry, plaster and bricks; nail pops in drywall; rusting of steel; drying, shrinking and cracking of caulking and weather-stripping; cracks in or heaving of tile or cement; settlement; (C) damage or Defects resulting from condensation on, or expansion or contraction of, materials; (D) broken windows; and (E) CONSEQUENTIAL OR INCIDENTAL DAMAGES OF EVERY NATURE AND FROM WHATEVER CAUSE. LANDLORD EXPRESSLY DISCLAIMS ANY, AND ALL IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, AND WARRANTIES OF HABITABILITY.

2.03. Submission. The mere submission by Landlord of an unexecuted copy of this Lease to Tenant shall have no binding effect against Landlord.

2.04. Delayed Availability. Tenant shall have no claim whatsoever against Landlord, at law or in equity, nor shall Tenant have the right to

terminate this lease, as a result of Landlord's inability or failure to make the Leased Premises available for occupancy by Tenant.

2.05. Acceptance of Condition. Except for Landlord's warranty obligations for the first year after the Commencement Date under Section 2.02(b), Tenant accepts the Leased Premises "AS-IS" and without representation or warranty as to condition by Landlord. Tenant, by taking possession of the Leased Premises, shall be deemed to have acknowledged its inspection of and satisfaction with the condition thereof, including Landlord's Work, except for punchlist items and Landlord's warranty obligations under Section 2.02(b).

2.06. Hold Over. In the event Tenant holds over in possession of the Leased Premises after the expiration of the Term or earlier termination of this Lease, Landlord, at its exclusive option and sole discretion, may (a) deem Tenant to be occupying the Leased Premises from month-to-month at an initial monthly rental fee which is one and one-half (1-1/2) times the Monthly Installment provided for herein, and otherwise subject to all of the terms, conditions and other charges of this Lease, or (b) exercise any rights or remedies it has under this Lease in the event of Default, including an action against Tenant for trespass. No payment by Tenant or acceptance by Landlord of an amount less than the Monthly Installment of Base Rent as increased hereunder shall be deemed to be other than a payment on account for the benefit of Landlord, and Landlord may accept such amount without prejudice to its right to recover the balance of the rent or other amounts owed, or to pursue any other remedy provided herein in the event of a Default.

ARTICLE III
RENT

3.01. Rental Fee. Tenant shall pay to Landlord the sum indicated in Paragraph 1.05 hereof, as base rent for the Leased Premises for the Term ("Base Rent"). Tenant's obligation to pay Base Rent, is independent of every other covenant of this Lease.

3.02. Installment Payments.

(a) Monthly Installments. The Base Rent shall be paid by Tenant to Landlord in consecutive equal monthly installments in the amount indicated in Paragraph 1.06 hereof ("Monthly Installments").

(b) Terms of Payment. All Monthly Installments of the Base Rent shall be paid in advance in immediately available funds, on the first day of each month during the Term, without any offset, deduction, abatement, or delay whatsoever, or any demand therefor, by a check or draft drawn on a financial institution capable of negotiating funds, at the office of Landlord at the address stated herein, or at such other place as Landlord may, from time to time, designate in writing. No payment by check or draft shall be deemed timely made unless honored and paid by the drawee bank upon first presentment for payment. For safety reasons, cash will not be accepted by Landlord. In the event the Term commences on a day other than the first day of a month, or ends on a day other than the last day of a month, the first and/or last Monthly Installment of Base Rent shall be prorated accordingly, based upon a thirty (30) day month.

3.3. Additional Rent. Tenant shall pay to Landlord or, at the request of Landlord, directly to the person or entity demanding payment, promptly upon presentation of a request for payment, without any deductions or setoff whatsoever, the following charges ("Additional Rent"):

(a) Applicable Taxes. All "Applicable Taxes" as defined below. The Applicable taxes for the first and last years of the Term or any extension thereof will be prorated between Landlord and Tenant so that Tenant will be responsible for any such tax or assessment attributable to the period during which Tenant has possession of the Leased Premises. The so-called "due date" method of proration will be used, it being presumed that taxes and assessments are payable in advance, As used herein, "Applicable Taxes" shall mean the sum of (A) all ad valorem real property taxes and assessments of every nature whatsoever levied upon or with respect to the Leased Premises or the rent and additional charges payable hereunder, imposed by any taxing authority having jurisdiction, (B) all reasonable

costs and expenses incurred by Landlord during negotiations for, or contests of, the amount of any taxes, (C) all personal property taxes levied on or with respect to property of Landlord, if any, on the Leased Premises, and (D) all taxes, levies and charges which may be assessed, levied or imposed by the State of Michigan or any political subdivision thereof or any governmental authority having jurisdiction thereover, in replacement of or in addition to all or any part of ad valorem real property taxes as revenue sources and which in whole or in part are measured or calculated by or based upon the tax parcel of Landlord or Tenant, or the rent or other charges payable hereunder. In no event shall Applicable Taxes include any income, franchise, estate or inheritance tax, or any penalty or interest for late payment, except for any penalties or interest arising from Tenant's late payment of sums due hereunder.

(b) Landlord's Insurance. All premiums for fire and extended coverage insurance, insuring the Leased Premises for the full undepreciated replacement cost thereof, together with a demolition and increased cost of construction endorsement, and general liability insurance, rental interruption insurance and any such other insurance as Landlord shall elect or be required by any mortgagee to maintain on the Leased Premises ("Insurance").

(c) Estimated Payments. In the event payment of any or all of the Applicable Taxes or Insurance is to be made from a fund required to be established by any mortgagee under the terms of any mortgage of the Leased Premises, or in the event Landlord shall elect to have Applicable Taxes or Insurance paid in advance of the date due, then Landlord will so notify Tenant, and Tenant will pay such amounts in estimated monthly installment payments, sufficient to create a fund from which such sums can be paid, in their entirety, promptly upon issuance of billings for payment. If actual Applicable Taxes and Insurance exceed the total amounts from time to time paid therefor by Tenant, then Tenant will pay on demand any deficiency to Landlord. If such payments by Tenant, over the Term, exceed the amount of Applicable Taxes and Insurance paid therefrom, such excess will be refunded by Landlord to Tenant at the expiration of the Term, or when such excess is refunded by the mortgagee to Landlord, whichever first occurs.

(d) Treatment. The payment of Additional Rent by Tenant shall, for all purposes hereunder, be treated in the same manner as the payment of Monthly Installments of the Base Rent, and Landlord shall have the same rights and remedies in the event of any delinquent payment of Additional Rent or any other charges due hereunder as it has in the event of any delinquent payment of the Base Rent.

3.04. Late Payment. TIME IS OF THE ESSENCE OF THIS LEASE.

(a) Service Charge. If Tenant fails to pay any Base Rent, Additional Rent or any other monies payable to Landlord hereunder on or before five (5) days after the date due, then Tenant shall immediately, without demand therefor, pay to Landlord a service charge of five percent (5%) of the amount of any such late payment (the "Service Charge"). The Service Charge is in addition to and not in limitation of any other remedy or right provided herein, and is intended to compensate Landlord for its fairly estimated additional administrative expenses associated with monitoring, receiving, recording, accounting, administering and otherwise handling delinquent payments. The Service Charge is not intended and shall not be deemed or construed as an unenforceable penalty.

(b) Interest. If Tenant neglects or fails to pay any amount payable under this Lease on or before five (5) days after the date due, Tenant shall pay interest on the unpaid balance, from the due date, at the annual rate of 15% (the "Lease Rate"), but in no event in excess of the maximum rate permitted by law. Landlord may apply all or any part of any subsequent payments of Base Rent to any accrued and unpaid Service Charges or interest charges.

(c) Returned Checks. In addition to Landlord's other remedies hereunder, in the event any check or draft tendered in payment of any monies due hereunder is dishonored for any reason and/or returned unpaid by the drawee bank, Landlord may require Tenant to make all future rental and other payments with collected funds only (i.e. Federal wire transfer, money order, certified or cashier's check).

(d) Cumulative Charges. The Service Charge and interest on late payments are separate and cumulative remedies, and in addition to all other remedies provided herein. Landlord shall have no obligation to accept less than the full amount of Monthly Installments plus Service Charges and interest charges thereon, if any, and of all charges hereunder which are due and owing by Tenant to Landlord. No payment by Tenant or acceptance by Landlord of an amount less than the amount owed herein shall be deemed to be other than a payment on account for the benefit of Landlord, and Landlord may accept such amount without prejudice to its right to recover the balance of the rent or other amounts owed, or to pursue any other remedy provided herein in the event of a Default.

3.05. Security Deposit.

(a) Security Deposit. As a condition precedent to the enforceability of this Lease by Tenant and the commencement of the Term, Tenant shall pay to Landlord, upon execution of this Lease, a security deposit in the amount indicated in Paragraph 1.7 hereof ("Security Deposit"). The Security Deposit shall be held by Landlord, without interest or fiduciary duty, to secure the full, faithful and timely performance by Tenant of each and every term, provision, covenant and condition required to be observed or performed by Tenant hereunder, including, without limitation, the payment of Base Rent. If Tenant pays the Security Deposit by check or draft, such check or draft shall not be deemed payment unless honored and paid by the drawee bank upon first presentment for payment.

(b) Additional Contribution. In the event Landlord uses, applies or retains all or any portion of the Security Deposit prior to the expiration of the Term Tenant shall, immediately upon demand therefor, deposit with Landlord such additional sums as may be required to reinstate the Security Deposit to the amount originally required herein.

(c) No Obligation. Anything stated herein to the contrary notwithstanding, in the event of any Default by Tenant, Landlord shall have no obligation or duty whatsoever to apply or use all or any portion of the Security Deposit to cure, satisfy, reduce or mitigate any such Default or damages caused thereby, and Landlord may pursue any other right or remedy provided for herein, or otherwise available at law or in equity. The right of Landlord to retake possession of the Leased Premises for non-payment of Base Rent, Additional Rent or other charges, or for any other reason shall in no event be affected by Landlord's possession of the Security Deposit.

(d) Commingled Fund. Landlord shall have no obligation to keep the Security Deposit as a separate fund. Landlord may mix and commingle the Security Deposit with such other funds and monies as Landlord deems appropriate.

(e) Return. Within sixty (60) days after the expiration of the Term of this Lease, Landlord shall return to Tenant that portion of the Security Deposit, if any, not otherwise applied or used as permitted herein.

(f) Transfer. If the Leased Premises is sold, Landlord shall have the right to transfer the Security Deposit to the purchaser(s) of the Leased Premises, and upon notice of such sale, Landlord shall be released of all liabilities hereunder, including, but not limited to any such liability for the return of the Security Deposit.

3.06. U.S. Currency. All sums required to be paid under this Lease shall be payable in United States Dollars.

ARTICLE IV
INSURANCE AND INDEMNIFICATION

4.01. Insurance. In addition to the Insurance which Tenant is required to pay for as Additional Rent, Tenant shall at all times during the Term hereof keep in full force and effect, at its sole cost and expense, the following types of insurance in the amounts specified:

(a) Comprehensive public liability and property damage insurance and products liability insurance with limits of liability of not less than

Three Million ($3,000,000.00) Dollars combined single limits, with deductibles not greater than $10,000.00 unless approved in writing by Landlord. If, in the sole opinion of Landlord's lender or in the reasonable business judgment of Landlord, the amount of such insurance coverage at any is not adequate, Tenant shall increase the insurance coverage as required by either Landlord's lender or Landlord, but not more frequently than annually.

(b) Fire and extended coverage insurance covering the Tenant's personal property, fixtures, improvements and alterations located in and on the Leased Premises, including all plate and other glass, against such risks as are from time to time covered under "extended coverage" endorsements, and special extended coverage endorsements commonly known as "all risks" endorsements in an amount equal to the full replacement cost but not less than that required by Landlord's mortgagee from time to time. The proceeds from any such policy shall be used by Tenant solely for the replacement of personal property or fixtures or the restoration of Tenant's improvements or alterations.

(c) If the nature of Tenant's business requires that any or all of its employees be provided coverage under state workers' compensation insurance or similar statutes, Tenant shall keep in force workers' compensation insurance or similar statutory coverage containing statutorily prescribed or greater limits.

(d) All policies of insurance required to be maintained by Tenant pursuant to this Paragraph (except for workers' compensation insurance) shall name Landlord and any other parties in interest designated by Landlord and Tenant as loss payees and co-insureds as their respective interests may appear, and shall be evidenced by certificates of insurance which specify that Landlord is an insured party and that the insurer will not cancel or modify coverage without giving Landlord at least thirty (30) days prior written notice. Tenant shall furnish to Landlord such certificate or certificates concurrently with its delivery of this Lease to Landlord and shall also demonstrate that all premiums for the insurance required by this paragraph have been paid in full for one year.

It is expressly understood and agreed that the foregoing minimum limits of insurance coverage shall not limit the liability of Tenant for its acts or omissions as provided in this Lease. Tenant may provide the foregoing insurance under a blanket policy, provided that such blanket policy shall have an endorsement thereto to reflect the required protective coverage for Landlord and its designees. All insurance required hereunder shall be placed with companies licensed to do business in the State of Michigan and which companies are rated A:XII or better in "Best's Key Rating Guide." All such policies shall be written as primary policies, non-contributing with and in excess of coverage which Landlord may carry. If Tenant shall fail to procure and/or maintain the insurance provided for in this Paragraph, Landlord may, but shall not be obligated to do so, and without waiving any other rights under this Lease, procure and maintain any one or more portions of Tenant's required insurance policies, at the expense of Tenant; and Tenant shall reimburse Landlord therefor within ten (10) days of invoice.

4.02. Waiver of Subrogation. Except in the case of willful actions by either Landlord or Tenant, each party hereto does hereby remise, release and discharge the other party hereto, and any officer, agent, employee or representative of such party, of and from any liability whatsoever hereafter arising from loss, damage or injury caused by fire or other casualties for which insurance is carried hereunder by the injured party at the time of such loss, damage or injury to the extent of any actual recovery by the injured party under such insurance; provided, however, this release shall be applicable and in force and effect only with respect to loss or damage occurring during at such time as the releasing party's policies of insurance contain a clause or endorsement permitting such waiver of subrogation. Landlord and Tenant shall each use their best efforts to have their respective insurance policies contain a provision permitting the foregoing waiver of subrogation, including the payment of reasonable increased premiums.

4.03. Exculpation of Landlord. Neither Landlord nor its members or managers shall have any duty or liability to Tenant except as expressly

provided for in this Lease, and, in the event of any such liability to Tenant hereunder, or under any law, statutory, common, regulatory or otherwise, Landlord's liability to Tenant shall, in the event of a judgment against Landlord, be satisfied only out of the right, title and interest of Landlord in the Leased Premises and out of the rents or other income to be derived therefrom after the date of such judgment, or out of the net proceeds received by Landlord from the sale or other disposition of all or any part of Landlord's right, title and interest in the Leased Premises. The term "Landlord" as used in this Lease, shall mean only the owner of the fee title to the Leased Premises at the time in question, and in the event of any transfer of such title, Landlord herein named (and in case of any subsequent transfers the then grantor) shall be relieved from and after the date of such transfer of all liability in connection with Landlord's obligations thereafter to be performed. The obligations contained in this Lease to be performed by Landlord shall be binding on Landlord and on Landlord's successors and assigns, only during their respective periods of ownership. This Paragraph 4.03 shall survive termination or expiration of this Lease.

4.04. Indemnification. Tenant shall indemnify, defend and hold Landlord free and harmless, including without limitation, all members, managers, employees, and agents of Landlord, and each of their respective heirs, personal representatives, successors and assigns, from and against any and all claims, expenses, and liabilities of every kind and nature whatsoever, including, without limitation, actual attorneys fees, court costs, litigation expenses, penalties, and all direct, indirect, consequential and incidental damages of and to Landlord, arising out of, caused by or related to any of the following:

(a) Lease. The execution of this Lease and the operation and performance of this Lease by Tenant, or Default or failure of performance of any term or provision of this Lease, including, but not limited to, interest, penalties, incidental and/or consequential damages.

(b) Premises. The use (including misuse) or occupancy of the Leased Premises, by Tenant and its agents and employees.

(c) Visitors. Any act of any customer, business invitee, supplier, guest or other visitor of Tenant ("Visitors").

(d) Personal Property, Any damage to or destruction of any property, records, files, equipment, inventory or other personal property, tangible and intangible, of every nature and description, now owned or hereafter acquired by Tenant or its employees or Visitors, regardless of the cause thereof, unless caused by the negligence or willful misconduct of Landlord or its agents.

(e) Business. Damage to the business or property of Tenant, regardless of the cause thereof, through the act or omission of any agent of Landlord (unless such act or omission was negligent or involved willful misconduct of Landlord or its agent), any other person, or damage resulting from burst, stopped or leaking water, gas, or sewer pipes, electrical power outage, loss of heat or air conditioning, and any and every other cause whatsoever, regardless of whether the same is specifically provided for herein.

(f) Broker. The employment, use or retention of a broker, finder or other agent by Tenant in connection with the execution of this Lease, other than claims of Signature Associates and The Strathmore Group.

This Paragraph 4.04 shall survive termination or expiration of this Lease.

ARTICLE V
USE AND MAINTENANCE

5.01. Use. The Leased Premises shall be used by Tenant solely for the purpose specified in Paragraph 1.08 hereof, office and incidental purposes related thereto, and for no other use or purpose whatsoever, without Landlord's prior written consent. Tenant shall not perform any acts or carry on any practices which may injure the Leased Premises and shall keep the Leased Premises orderly, neat, safe and clean.

5.02. Compliance. Tenant, at its sole expense, shall at all times comply with all, and not make or permit any use of the Leased Premises which could violate any, zoning ordinance or building and use restriction, public laws, ordinances or governmental regulations, including, without limitation, all state and federal environmental laws, rules and regulations. Tenant shall promptly obtain and continuously maintain during the Term every license or other governmental permit required by Tenant to lawfully operate its business. Notwithstanding anything to the contrary in this Lease, any repairs, additions or alterations to the Leased Premises, including, without limitation, plumbing, electrical, mechanical, structural or non-structural, which are required by any law, statute, ordinance, rule, regulation or governmental authority or insurance carrier, including, without limitation, OSHA, will be the obligation of Tenant.

5.03. Rules and Regulations. Tenant shall fully and promptly comply with the rules and regulations attached hereto as Exhibit B and made a part hereof. Landlord reserves the right to change, modify or amend the Rules and Regulations if, in its reasonable discretion, Landlord deems such changes necessary or desirable. Tenant agrees to comply with and abide by the Rules and Regulations as so amended.

5.04. Insurance. Tenant shall engage in no conduct or activity, nor permit any use of the Leased Premises, nor cause to be stored thereat or disposed thereon or thereunder any material or thing which may be dangerous to life, property or environment, or which may increase the premium of or invalidate any insurance policy carried with respect to the Leased Premises.

5.05. Improvements. No alteration, addition, or improvements ("Improvements"), to the interior or exterior of the Leased Premises, including, but not limited to, installation of ventilating, silencing, air-conditioning, air-circulating, air-compression, refrigeration, electrical components, systems, conduits and wiring, plumbing, heating, sprinkling equipment, telephone and other communication conduits and wiring, fixtures and outlets, and partitions, railings, gates, doors, vaults, paneling, molding, shelving, flooring and floor covering, shall be made by Tenant to the Leased Premises without the prior written consent of Landlord, which consent may not be unreasonably withheld by Landlord. Under no circumstances may Tenant attach or mount any object or thing to the roof of the Leased Premises, and Tenant shall not do or cause any act or thing, and shall take all necessary precautions to prevent from occurring, any puncture, tear, rip, or other injury the roof. All permitted Improvements made by Tenant shall comply with all applicable building and use restrictions and codes, zoning ordinances and all other laws, rules and regulations (federal, state and local), including, without limitation, the requirements of the Americans with Disabilities Act (ADA). All Improvements, including attachment of fixtures (other than trade fixtures of Tenant) made by either of the parties hereto shall immediately become the property of Landlord and shall be considered as a part of the Leased Premises; provided, however, that Landlord may, at any time, designate by written notice to Tenant those Improvements and fixtures which shall be removed by Tenant at the expiration or termination of this Lease, and Tenant shall remove the same and repair any damage to the Leased Premises caused by such removal before the last day of the term of this Lease.

5.06. Signs. Tenant shall not erect or install any free standing sign upon the Leased Premises without the prior written approval of Landlord, as to size, design and method of installation, which consent may not be unreasonably withheld by Landlord. Under no circumstance may Tenant erect or install any interior or exterior roof, wall, window or door signs or other advertising media in, on or about the Leased Premises. Notwithstanding the foregoing, Tenant may place such non-advertising signs inside the Leased Premises as are necessary for the reasonable operation of its business or to comply with applicable health and safety laws; provided, however, that any such signs shall conform to applicable governmental laws and regulations and not be visible from outside the Leased Premises. Upon expiration or termination of this Lease Tenant shall, upon demand by Landlord, and at Tenant's sole cost and expense, remove all signs erected, placed or displayed by it, and repair all damage caused by such removal.

5.07. Maintenance and Repair. Without limiting Landlord's warranty obligations for the first year after the Commencement Date under Section

2.02(b), Tenant, at its sole cost and expense, shall keep the entire Leased Premises, including any Improvements, structurally sound and in good condition and repair, and shall keep the electrical, lighting, heating, air conditioning, plumbing, fire suppression, and any other equipment and systems installed in or on the Leased Premises in good condition and repair and shall also be responsible for the replacement of all components to such systems, including major structural components thereof. Notwithstanding anything herein to the contrary, Landlord shall be solely responsible for maintaining the structural soundness of the roof, foundation and outer walls of the Leased Premises. Further, Tenant shall be responsible to keep all exterior portions of the Leased Premises, including the parking areas, driveways, sidewalks and the exterior grounds and landscaping maintained in a safe and attractive manner, and free of ice and snow. Tenant shall obtain and pay for a Heating, Ventilating and Cooling (HVAC) system service, maintenance and repair contract with such maintenance and repair terms, and with such reputable company or contractor as is acceptable to Landlord in its sole discretion. Tenant shall be responsible for rubbish and trash removal.

5.08. Emissions. Tenant shall not, without the prior written consent of Landlord:

(a) Create or permit to be created emissions into the environment of any Air Contaminants (hereinafter defined) in quantities, or characteristics and under conditions and circumstances and of a duration which are or is in violation of any federal or state law, regulation, ordinance, order or rule, including, but not limited to, the federal Clean Air Act ("CAA"), 42 U.S.C. Section 7401 et seq., as amended now or any time hereafter, or the regulations promulgated thereunder, and the Michigan Air Pollution Act ("MAPA"), M.C.L. Section 336.11 et seq., as amended now or any time hereafter, or the regulations promulgated thereunder. "Air Contaminant" shall mean dust, fume, gas, mist, odor, smoke, vapor or any combination thereof;

(b) Permit any vehicle on the Leased Premises which emits exhaust which is in violation of any federal, state or local law, ordinance, order, rule, regulation, code or any other governmental restriction or requirement;

(c) Create, or permit to be created, any sound level which could unreasonably interfere with the quiet enjoyment of any real property or surrounding areas, or which could create a nuisance or violate any federal, state or local law, ordinance, order, rule, regulation, code or any other governmental restriction or requirement;

(d) Transmit, receive, or permit to be transmitted or received, any electromagnetic, microwave or other radiation which is harmful or hazardous to any person or property in, on or about the Leased Premises, or which could interfere with the operation of any electrical, electronic, telephonic or other equipment wherever located, whether on the Leased Premises;

(e) Create, or permit to be created, any ground vibration that is discernible outside the Leased Premises; or

(f) Produce, or permit to be produced, any intense glare, light or heat except within an enclosed or screened area and then only in such manner that the glare, light or heat shall not be discernible outside the Leased Premises.

5.09. Hazardous Materials.

(a) Prohibition. Tenant shall not permit or cause, directly, indirectly, intentionally or incidentally, the use, production, storage, generation, disposal, treatment or other presence in the Leased Premises of any Hazardous, Material as hereafter defined, whether liquid, solid, gaseous or otherwise, neither shall Tenant discharge or release on, under or about the Leased Premises, or permit to be discharged or released on or about the Leased Premises, or into any drain, toilet, basin or otherwise into the sanitary or storm sewers servicing the Leased Premises any such Hazardous Material. Tenant shall during and forever after the term of this Lease, indemnify, defend and hold Landlord, its successors and assigns harmless

from any and all liabilities, clean-up and/or response costs and other damages, including, without limitation, attorney's and expert consultant's fees, incurred on account of any breach of this provision by Tenant. Notwithstanding the termination of this Lease, in the event at any time after the Commencement Date, Landlord, its successors or assigns discovers the existence of any environmental hazard caused or created by Tenant, then, in such event, Tenant, its successors and assigns shall fully clean-up, remove and remediate such condition, at its sole cost, to the complete satisfaction of Landlord and its designees. Such liability shall include, without limitation, the cost of qualified environmental consultants to direct, engineer and perform the clean-up to Landlord's sole satisfaction, all removal, remediation and disposal costs, costs of waste handling, packaging, transportation and disposal at approved, licensed waste disposal sites, all costs of containment and security as and if necessary, all costs of reclaiming or replacing the land and/or structures affected by such remediation and removal, and every such other cost associated with rendering the leased premises completely safe from environmental hazards. For purposes hereof, "Hazardous Material" includes without limitation, any flammable, explosive, radioactive, toxic or hazardous materials, hazardous wastes, hazardous or toxic substances or related materials, whether liquid, solid, gaseous or otherwise, defined in or regulated under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601 et. seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 108, et. seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, et. seq.), Part 201 of the Michigan Natural Resources and Environmental Protection Act ("NREPA")(formerly the Environmental Response Act ("Act 307")), as amended, or in the regulations adopted and publications promulgated pursuant thereto, or any other federal, state or local governmental law, ordinance, rule or regulation, and petroleum, including, but not limited to, crude oil, crude oil fractions, and refined petroleum fractions, including gasoline, kerosene, heating oils, diesel fuels, and waste oil and related waste products, including constituent parts of any of the foregoing.

(b) Tenant shall strictly obey and adhere to any and all Environmental Laws, as hereafter defined. For purposes hereof, the term "Environmental Laws" means, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601, et. seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Section 1801, et. seq.), the Resource Conservation and Recovery Act, as amended (49 U.S.C. Section 6901, et. seq.), the Michigan Hazardous Waste Management Act, as amended (MCLA Section 299.501 et. seq.) Part 201 of the Michigan Natural Resources and Environmental Protection Act ("NREPA")(formerly the Environmental Response Act ("Act 307")), as amended, and every other Federal, state, and local law, statute, regulation, rule decisional precedent, order or otherwise, the actual, effective or intended purpose or unintended effect of which is the protection or remediation of the environment. Tenant shall further strictly obey and adhere to the Michigan Occupational Safety and Health Act ("MIOSHA"), as amended now or at any time hereafter, M.C.L. Section 408.1001 et. seq.

(c) Landlord, its agent or designees and governmental authorities shall have the right, but not the obligation, from time to time to inspect the Leased Premises for compliance with the Environmental Laws and to confirm that Hazardous Materials are not being used, produced, stored, generated, disposed of, treated or otherwise present in or on the Leased Premises. Any reasonable costs and expenses associated with such inspections, including at termination of this Lease, shall be borne exclusive by Tenant, including, but not limited to, an environmental compliance audit, environmental site assessment, and engineering, laboratory, sampling, consulting and legal fees and costs.

(d) The terms and conditions of Paragraphs 5.08 and 5.09 hereof shall survive termination or expiration of this Lease.

5.10. Net Lease. Without limiting Landlord's warranty obligations for the first year after the Commencement Date under Section 2.02(b), nor Landlord's obligations under Section 5.7 regarding Landlord's responsibility for maintaining the structural soundness of the roof, foundation and outer walls of the Leased Premises, Tenant acknowledges and agrees that this Lease is a "totally net lease" to Landlord and that Tenant is fully and solely

responsible for procurement of and payment for all aspects of the ordinary and/or extraordinary repair and maintenance of the Leased Premises and replacement of components and systems thereof, including, without limitation, building structure, the floor, ceiling, inside walls, windows, doors, HVAC, plumbing, electrical, and all other building systems, structures and components, of every nature and description, and the parking lots, sidewalks, signs, and landscaped areas, and payment of all Applicable Taxes and Insurance. Landlord shall neither incur nor suffer any obligation, monetary or otherwise, relative to the Leased Premises during the Term of this Lease, except as specifically and expressly provided for in this Lease.

ARTICLE VI
ADDITIONAL OBLIGATIONS OF TENANT

6.01. Utilities. Landlord shall cause all usual utilities to be made available to the Leased Premises as of the Commencement Date. Thereafter, Tenant shall be solely responsible for maintaining all utilities and promptly paying when due all charges for water, gas, heat, electricity, sewer and any other facility used upon or furnished to the Leased Premises. Landlord shall have no liability to Tenant, its employees or invitees, and there shall be no abatement or withholding of Base Rent due hereunder by reason of the unavailability or service interruption of any utility, including without limitation, fuel and energy conservation programs initiated by any governmental agency or official. Tenant shall not use any apparatus or device in, upon or about the Leased Premises which will in any way require an increase in load upon the amount of such services usually furnished or supplied to the Leased Premises and Tenant further agrees not to connect any apparatus or device with wires, conduits, pipes or other means by which such services are supplied for the purpose of using additional or unusual amounts of such services without the prior written consent of Landlord. Tenant warrants to Landlord that it has fully examined the Leased Premises for their adequacy of the utilities which it may require in connection with its use of the Leased Premises, that it accepts such utilities "AS IS," and that Landlord makes NO WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, in connection with any such utility or the fitness of same for Tenant's purposes. The obligation of Tenant to pay for such utilities shall begin on the Commencement Date. In no event shall Landlord be responsible to any person or entity (including any governmental or quasi-governmental unit) for payment of any water bill incurred by reason of Tenant's use of any water on or for the benefit of the Leased Premises subsequent to the filing of an affidavit with the appropriate governmental unit which has jurisdiction over the Leased Premises in accordance with MCLA 123.165(5).

6.02. No Record. Tenant shall not record this Lease or any memorandum hereof with any recorder or register of deeds or other governmental office or organization, or create or cause to be created against the Leased Premises any lien, claim, charge or assessment of any nature whatsoever.

6.03. Surrender. At the expiration or earlier termination of this Lease, Tenant shall surrender the Leased Premises, broom clean, and in the same or better condition as when possession was delivered to Tenant, reasonable wear and tear excepted, and Tenant shall, at its own expense, repair any damage occasioned or resulting from its possession of the Leased Premises, and shall surrender and deliver to Landlord any and all keys, passes, authorizations, identification cards and any other related items in its possession or control to the Leased Premises, all of which items shall at all times be and remain the exclusive property of Landlord. Any personal property of Tenant remaining in the Leased Premises after the expiration or earlier termination of this Lease or surrender of the Leased Premises, shall conclusively be deemed to have been abandoned by Tenant, and may be stored or disposed of at the cost of Tenant.

6.04. Violations. Tenant shall immediately inform Landlord of any violation of this Lease, or any rule or regulation promulgated hereunder, if any, by Tenant.

6.05. Waste. Tenant shall use, maintain and occupy the Leased Premises in a careful, safe and lawful manner, and shall not commit waste thereon.

6.06. Sublease or Assignment. Tenant shall not assign or transfer this Lease or any interest therein, whether outright or as security, or hypothecate or mortgage the same or any interest therein or sublet (including managerial control) the Leased Premises or any part thereof, without the express prior written approval of Landlord, which approval may not be unreasonably withheld. The consent by Landlord to an assignment or subletting shall not relieve Tenant of the obligation to obtain the consent in writing of Landlord to any further assignment or subletting, neither shall any such consent relieve any Guarantor of its liabilities under any Guaranty. The sale, issuance or transfer of any interest in or voting capital stock of Tenant, if Tenant is a limited liability company, partnership, corporation, or other entity, which results, through one or more transactions in a change in voting control of Tenant shall be deemed to be an impermissible assignment of this Lease. Assignments for the benefit of creditors of Tenant, or by operation of law, shall not be effective against Landlord, without Landlord's prior written approval, which approval may be withheld for any reason. In the event Landlord agrees to any sublease, Landlord shall be entitled, on a monthly basis, to the net positive difference, if any, of the amount of rent paid by any sublessee, and the Base Rent due hereunder.

6.07. Offset Statement; Attornment and Subordination.

(a) Offset Statement. Within fifteen (15) days after request, from time to time by Landlord, Tenant shall execute and deliver to Landlord, in a form satisfactory to Landlord, a written statement certifying (i) that this Lease is in full force and effect, (ii) the Commencement Date of this Lease, (iii) that rent is paid currently without any offset or defense thereto, (iv) the amount of rent, if any, paid in advance, and (v) that there are no uncured defaults by Landlord or stating with specificity those defaults claimed by Tenant.

(b) Attornment. Tenant shall, in the event of the sale or assignment of Landlord's interest in all or any portion of the Leased Premises, or transfer pursuant to proceedings in or a deed in lieu of foreclosure of such interest under any mortgage made by Landlord of the Leased Premises, or the eviction of Landlord under any underlying or ground lease by Landlord, attorn to the purchaser, transferee or foreclosing mortgagee and recognize such person as the Landlord under this Lease. Such attornment shall be self-operative without the execution or delivery of any further instrument by Tenant. No such attornment shall cause such subsequent landlord to be liable for any act or omission of Landlord, other than those which are expressly assumed by the subsequent landlord after it assumes control or takes possession of the Leased Premises, nor subject any subsequent landlord to any offsets or defenses which Tenant then has against Landlord or bind it for any rent or additional rent which Tenant may have paid more than thirty (30) days in advance to Landlord,

(c) Subordination. Tenant agrees that this Lease is and shall be subject and subordinate at all times to any and all present and future ground or underlying leases, leasehold mortgages, mortgages and building loan mortgages, and management contracts affecting the Leased Premises and/or Landlord's interest therein, or upon any buildings or other improvements hereafter placed upon the Leased Premises. Tenant covenants and agrees that any mortgagee, overriding or ground lessor or manager under a management contract may elect to treat this Lease as prior in time to its interest in the Leased Premises, and in the event of such election and upon notification to Tenant to that effect, this Lease shall thereupon be deemed so prior, whether this Lease is, in fact, dated prior or subsequent to the date of such other interest.

(d) Acknowledgement By Tenant. Tenant covenants and agrees to execute and deliver within fifteen (15) days after request from Landlord such further instrument or instruments as may be required to carry out the intentions of this Paragraph, including a subordination or similar agreement required by any mortgagee or other person. Tenant does hereby irrevocably appoint Landlord as its lawful attorney-in-fact, with full authority and right to execute and deliver any letter of estoppel, offset statement, subordination agreement or other instrument required to be provided by Tenant pursuant to this Paragraph, for and in the name of Tenant.

6.08. Mortgage Protection. If Landlord shall fail to perform any covenant, term or condition of this Lease upon Landlord's part to be performed, Tenant shall give prompt written notice thereof to Landlord and to any mortgagee of the Leased Premises of whom Tenant has been made aware by prior written notice. In the event Landlord shall have failed to cure a claimed failure of performance within a reasonable time following Landlord's receipt of such notice (which time period shall not be less than thirty (30) days), then the mortgagee shall have an additional period of thirty (30) days within which to cure such failure of performance, or if same cannot reasonably be cured within that time, then such additional time as may be necessary, provided that any such mortgagee has commenced and is diligently pursuing the remedies necessary to cure such failure of performance by Landlord. Tenant shall take no action to terminate this Lease in the event Landlord or any such mortgagee shall have cured such failure of performance or shall be diligently pursuing cure of the same as aforesaid.

6.09. Financial Statements. Not later than thirty (30) days after expiration of each fiscal year of Tenant, Tenant shall review with Landlord, Tenant's financial statement for the preceding fiscal year, detailing Tenant's then existing financial condition. Tenant represents and warrants to Landlord that Tenant's fiscal year ends December 31. All financial information provided by Tenant to Landlord hereunder shall be treated by Landlord as strictly confidential.

ARTICLE VII
RESERVED RIGHTS

In addition to all of the other rights and privileges of Landlord hereunder, Landlord specifically reserves unto itself the following rights:

7.01. Entry for Repairs. To enter or cause its agents or designees to enter the Leased Premises at all times, and without prior notice to Tenant in cases of emergency but otherwise after at least 24 hour prior notice and accompanied by an agent of Tenant, for the purpose of making such inspections, alterations, improvements or repairs which Landlord, in its sole discretion, deems necessary or desirable. Nothing herein shall be deemed to obligate Landlord to make any repairs to the Leased Premises.

7.02. Exhibit. To enter or cause its agents or designees to enter the Leased Premises at all times, upon at least 24 hour prior notice to Tenant and accompanied by an agent of Tenant, to exhibit and show the Leased Premises to prospective tenants, purchasers, bank financing officers, construction contractors and other parties.

7.03. Rules and Regulations. To adopt, amend, revoke and enforce such rules and regulations as Landlord shall, in its sole discretion, deem necessary or desirable, and to enforce the provisions thereof as though same were specifically incorporated as covenants of this Lease.

7.04. Errors and Mistakes. Landlord may, unilaterally, make such changes, amendments and/or corrections to this Lease as are necessary to correct any clerical, typographical, arithmetic or other error or mistake in the preparation and/or execution of this Lease.

ARTICLE VIII
(RESERVED)

ARTICLE IX
CASUALTY

9.01 . Partial Destruction. In the event that, through no fault of Tenant, the building wherein the Leased Premises are located shall be partially damaged by fire or other casualty at any time during the Term, and Landlord in its sole discretion deems the building salvageable, Landlord shall use its reasonable efforts to have the building promptly repaired or to have its insurance company repair same, and an abatement of rent, proportionate to the amount of square footage of building area rendered untenantable, shall be allowed to Tenant for the time occupied in such repairs; except, (a) if Tenant can use and occupy the Leased Premises without substantial inconvenience then there shall be no abatement of rent,

(b) if the casualty was caused by Tenant's negligence or willful misconduct there shall be no abatement of rent, and (c) if said repairs are delayed because of the failure of Tenant to adjust its own insurance (if any) no reduction shall be made beyond a reasonable time allowed for such adjustment.

9.02. Substantial Destruction. In the event that, through no fault of Tenant, the building wherein the Leased Premises are located is totally or substantially (i.e., 25% or more of the useable square footage of building area) destroyed by fire or other casualty, then this Lease may be terminated by Landlord or Tenant giving the other written notice of termination within thirty (30) days after the occurrence of such casualty, without further liability of Landlord or Tenant with respect to the unexpired Term, and Landlord and Tenant release each other from any liability for loss, damage or injury caused by such fire or other casualty for which insurance (permitting waiver of liability and waiver of insurer's right of subrogation) is carried by either Landlord or Tenant to the extent of any recovery by them under such policy.

9.03. Damage to Tenant's Property. In no event shall Landlord be required to repair or replace Tenant's merchandise, trade fixtures, furnishings or equipment. If Landlord is required or elects to repair or rebuild the Leased Premises as herein provided, Tenant shall repair or replace its merchandise, trade fixtures, furnishings and equipment in a manner and to a condition at least equal to that prior to its damage or destruction.

9.04. Eminent Domain.

(a) Total Condemnation. If the whole of the Leased Premises is taken by any public authority under the power of eminent domain, then, Landlord or Tenant may immediately terminate this Lease. If Landlord or Tenant decides to immediately terminate this Lease, then the Term of this Lease shall cease as of the day possession is actually delivered to such public authority and the Base Rent and Additional Rent shall be paid up to that day with a proportionate refund by Landlord of such rent as may have been paid for a period subsequent to the date of the taking.

(b) Partial Condemnation. If only a part of the Leased Premises is taken by any public authority under the power of eminent domain, then, Landlord may (i) immediately terminate this Lease, or (ii) permit this Lease to remain in full force and effect; provided, however, that from and after the date possession is actually delivered to such public authority, the Base Rent shall be reduced in the proportion which the building floor area of the part of the Leased Premises so taken bears to the total floor area of the building immediately prior to such condemnation. Notwithstanding the foregoing, if more than twenty five percent (25%) by useable floor area of the building or value of the Leased Premises is taken under Eminent Domain, and Landlord decides not to terminate this Lease or relocate Tenant as provided above, then, in such event, Tenant shall have the right to terminate this Lease and declare the same null and void, by written notice of such intention to Landlord on or before the actual date of such taking. In the event neither party exercises said right of termination, the Lease Term shall cease only on the part of the Leased Premises so taken as of the day possession is actually delivered to such public authority and Tenant shall pay Base Rent and Additional Rent up to that day, with appropriate refund by Landlord of such rent as may have been paid in advance for a period subsequent to the date of the taking, and thereafter all the terms herein provided shall continue in effect, except that the Base Rent shall be reduced in proportion to the amount of the Leased Premises taken and Landlord shall make all the necessary repairs or alterations to the remaining Leased Premises and/or the building wherein same are located so as to create a complete architectural unit.

(c) Awards. All compensation awarded or paid upon a total or partial taking of the Leased Premises shall belong to and be the property of Landlord whether such damages shall be awarded as compensation for diminution in value to the leasehold or to the fee of the Leased Premises; provided, however, that Landlord shall not be entitled to any award made to Tenant for depreciation to or cost of removal of, merchandise and trade fixtures or relocation expenses, to the extent any such award does not diminish any award otherwise obtainable by Landlord.

ARTICLE X
LANDLORD'S COVENANT

10.01. Quiet Enjoyment. Landlord covenants and agrees that so long as Tenant shall promptly pay the Monthly Installments of the Base Rent, Additional Rent, and the other monies due hereunder, and perform all of the covenants and agreements set forth herein, Tenant shall have the peaceable and quiet enjoyment and possession of the Leased Premises during the Term without any manner of hindrance, subject only to the conditions and restrictions set forth herein and any applicable rules and regulations.

ARTICLE XI
DEFAULT

11.01. Default. Default under this Lease shall be defined as, and Tenant shall be conclusively deemed to be in Default hereunder upon the actual occurrence, or threat, of any one of the following events ("Default"):

(a) Rental Payment. Tenant fails to pay in full and promptly when due all or any portion of any Monthly Installment of the Base Rent, or the Security Deposit due hereunder; or

(b) Other Payments. Tenant fails to pay in full and when due any other moneys, charges or amounts due hereunder, whether payable to Landlord or another, including, without limitation, Additional Rent, utilities, Service Charges, interest, and other costs and charges payable by Tenant hereunder; or

(c) Performance. Tenant breaches or fails to fully and promptly observe or perform any covenant, term, condition, provision or time parameter of this Lease, or the rules and regulations promulgated hereunder, if any, regardless of whether such failure or breach relates to a material provision of this Lease; provided, however, Landlord shall have first notified Tenant of such breach and Tenant shall have failed to cure such breach within thirty (30) days after such notification; or

(d) Insolvency. Tenant or any Guarantor admits in writing its inability to pay its debts generally as they become due, makes a general assignment for the benefit of its creditors, applies for or consents to the appointment of a receiver, trustee or liquidator, or becomes insolvent or commits an act of insolvency, files a voluntary petition in bankruptcy or admits any material allegation in any pleading or petition filed against it in any bankruptcy or insolvency proceeding, or sells or permits the sale of its interest in the Leased Premises under attachment, execution or similar legal process, or takes any action for the purpose of effectuating any of the foregoing; or

(e) Abandonment. Tenant abandons, surrenders or vacates the Leased Premises prior to the expiration of the Term.

(f) Lien. Any mechanic's or construction lien or assessment attaches to or is claimed against the Leased Premises on account of work performed or materials delivered thereto at the request or instruction of Tenant.

11.02. Rights and Remedies. In the event of a Default, Landlord shall have no duty to do so, but may, at its sole option and exclusive discretion, take or exercise any of the following rights and remedies, concurrently, consecutively, alternatively and as often as the occasion may arise:

(a) Termination. Terminate this Lease and commence legal process to take exclusive possession and control of the Leased Premises, and physically put out, and otherwise remove all persons and property therefrom. Any personal property of Tenant may be stored in a public warehouse or elsewhere at the cost and for the account of Tenant, or disposed of at Landlord's election, and without liability to Tenant.

(b) Re-Let. Re-let the Leased Premises to any person or entity, and at any rental fee or rate, and for any term that Landlord deems appropriate, make such alterations, repairs or improvements to the Leased Premises as Landlord deems necessary, and retain or employ the services of

real estate brokers and attorneys, with Tenant being liable for all costs incurred therefor.

(c) Acceleration. Accelerate the full payment of the Base Rent, and any and all other monies due hereunder.

(d) Service Suspension. Terminate, cancel, stop, cutoff, and otherwise suspend any services, utilities or items otherwise required to be provided by Landlord to Tenant hereunder, if any.

(e) Court. Commence eviction proceedings and/or file suit, in the appropriate court for all or any portion of the unpaid Base Rent, or other monies due and owing hereunder including actual attorneys' fees, court costs, travel expenses, and litigation expenses, or for any physical damages caused by Tenant to the Leased Premises, and for all other direct, indirect, incidental and consequential damages suffered by Landlord.

(f) Performance. Perform, at the expense of Tenant, any obligation of Tenant under this Lease which Tenant has failed to perform, the cost of which performance by Landlord, together with interest thereon at the Lease Rate (Paragraph 3.04) from the date of such expenditure, shall be payable by Tenant to Landlord upon demand.

(g) Apply Security Deposit. Landlord may, but without obligation, use, apply or retain all or any portion of the Security Deposit toward the curing of such Default and any damages, actual, consequential, incidental or otherwise including, without limitation, attorneys' fees, court costs, travel expenses, and actual expenses of litigation incurred by Landlord as a result of such Default. In the event the Security Deposit is insufficient to cure or fails to fully remedy any Default or repair any damages caused by Tenant, Tenant shall remain fully liable to the extent of any such deficiency regardless of whether Landlord applies or uses the Security Deposit. In no event shall Landlord's application of the Security Deposit be deemed or construed as a waiver of Default, nor shall such application limit or prevent Landlord from enforcing any other right or remedy provided herein,

11.03. Attorneys' fees. In the event of any Default by Tenant, Tenant shall reimburse Landlord for any and all actual attorneys fees, court costs, travel expenses and litigation expenses incurred as a result of such Default, regardless of whether court process is commenced against Tenant by Landlord, and without regard to any statutory maximum amounts.

11.04. Notice. Upon the occurrence of any event of Default, Landlord may exercise any of the rights and remedies provided herein without any prior notice to Tenant, except as otherwise required by law.

11.05. Landlord's Lien. Tenant hereby grants to Landlord a lien and security interest (herein "Lien") , as security for payment of all obligations of Tenant hereunder, upon all tangible and intangible personal property of Tenant, including, without limitation, all equipment, trade fixtures, raw materials, work-in-process and inventory (and the proceeds thereof) within the Leased Premises, including all improvements, furniture, trade fixtures, merchandise and other personal property at any time placed on or in the Leased Premises, to the full extent of Tenant's interest therein, and all accounts, chattel paper and other general intangibles of Tenant. The Lien shall include the right to prevent removal of said property from the Leased Premises and may be enforced in the event of a Default, by the re-entry, taking and sale of such property. Sale shall be either public or private after at least three (3) days notice to Tenant at its last known address, which notice Tenant acknowledges to be commercially reasonable notice, and Landlord shall have the right and privilege to be a purchaser at any such sale. Upon request, Tenant shall provide a complete list of its creditors and indebtedness or otherwise do whatever may be necessary or appropriate to pass good and legal title under any such sale. Any and all proceeds obtained therefrom shall be applied first to the costs of sale, including reasonable attorneys' fees, then to any interest accrued and payable under the terms of this Lease for nonpayment of Base Rent, Additional Rent and/or any other charges. Sale or retention under this Lien shall not be deemed to waive, alter, limit or affect in any manner whatsoever, but shall be in addition to, any other remedies available to Landlord upon non-payment of rent or other charges under this Lease or

otherwise. Tenant shall execute, from time to time, any financing statements or other documents requested by Landlord in order to evidence or perfect the Lien or to assign the Lien to Landlord's mortgagee or mortgagees. Tenant does hereby irrevocably appoint Landlord as its lawful attorney-in-fact, with full authority and right to execute and deliver any UCC financing statement, continuation statement or other document necessary to record, perfect, and continue the security interest herein granted and to give bills and/or receipts of sale therefore.

ARTICLE XII
OPTION TO PURCHASE

12.01. Option to Purchase. Provided Tenant has never been in Default hereunder and has remained in possession of the Leased Premises continuously through the Lease Term, Tenant shall have the option to purchase the Leased Premises upon the expiration of the Lease Term (the "Option"). The Option is not assignable, without Landlord's express prior written consent, which may be withheld for any reason.

12.02. Exercise. To exercise the Option, Tenant must notify Landlord in writing of its intention to do so not more than one (1) year nor less than One Hundred Eighty (180) days prior to the date of expiration of the Term of this Lease, by delivering a written notice of intention to exercise the Option to Landlord by any method for delivering notices permitted hereunder. If Tenant does not timely exercise the Option and notify Landlord, then, in such event, the Option shall automatically terminate. In the event Tenant properly exercises the Option as provided herein, the following terms and conditions shall govern said purchase and sale.

12.03. Purchase Price. The purchase price for the Leased Premises shall be computed at the time Tenant exercises the Option. The purchase price shall be Two Million Two Hundred Thousand ($2,200,000.00) Dollars plus (a) an amount equal to that amount multiplied by the cumulative and annually compounded (for each year of the Term of the Lease) net percentage increase (but not decrease) in the CPI from the month in which the Lease commenced and the CPI on that day which precedes by ninety (90) days the date on which this Lease expires. For purposes hereof, "CPI" means the Consumer Price Index for Urban Wage Earners and Clerical Workers, United States", all items, (1982 - 1984 = 100), which index is now published monthly in the "Monthly Labor Review" of the Bureau of Labor Statistics of the United States Department of Labor, or its successor index, and (b) the amount of any prepayment fee or premium on any mortgage note to be paid and discharged at closing, plus any other fees or expenses of any such mortgagee.

12.04. Title. Landlord shall convey title to the Leased Premises to Tenant by quitclaim deed.

12.05. Title Insurance. Tenant shall obtain and pay for any title insurance, survey or other assurance of title desired by tenant. Provided that Tenant delivers to Landlord a commitment for a policy of title insurance at least ninety (90) days before closing, Landlord shall do nothing to alter title from that time until closing.

12.06. Closing. The closing of the transaction shall take place on the date of expiration of the Term of this Lease, or other day mutually agreeable to Landlord and Tenant.

12.07. Taxes. Tenant shall pay all transfer taxes and revenue stamps due upon the sale of the Leased Premises.

12.08. Prorations. There shall be no proration of real estate taxes, utilities, etc., all of which shall be the responsibility of Tenant.

12.09. Default. In the event Tenant fails or refuses to close

purchase of the Leased Premises after exercising the Option, through no fault of Landlord, Landlord may retain the Security Deposit as liquidated damages, or maintain an action for damages or specific performance. In the event Landlord fails or refuses to close purchase of the Leased Premises after Tenant exercises the Option, through no fault of Tenant, Tenant shall be entitled to maintain an action for specific performance.

ARTICLE XIII
MISCELLANEOUS PROVISIONS

13.01. Assignment by Landlord. Landlord may assign, negotiate or transfer all or any portion of its rights, obligations or interest in, to, or under this Lease in whole or in part, at any time without notice to or consent of Tenant, and in such event shall automatically be relieved of any and all obligations and liabilities on the part of Landlord arising from and after the date of such transfer.

13.02. Relationship; Construction. Nothing stated or implied herein is intended to nor shall it be deemed to create any partnership or joint venture between Landlord and Tenant. The relationship between Landlord and Tenant does not extend beyond the scope of this Lease. No term or provision hereof is to be construed adversely against Landlord due to or as a result of any alleged drafting ambiguity, notwithstanding the fact that Landlord may have caused this Lease to be prepared or processed. The terms and provisions of this Lease have been determined by arms-length negotiation by the parties hereto, who have been represented by separate and independent legal counsel.

13.03. Waiver of Action. No action or omission by Landlord, including but not limited to, any extension, modification, amendment, forbearance, delay, indulgence, or concession with regard hereto, with or without notice to Tenant, is intended as, nor shall it constitute or be deemed a waiver, discharge or release of Tenant, or of any obligation of Tenant or right of Landlord established hereby, nor shall such action or omission constitute an approval of or acquiescence in any breach hereof or Default hereunder.

13.04. Accord and Satisfaction. No restrictive endorsement or statement on any check or draft, or letter accompanying any check or draft, for payment of rent or any other amount owed to Landlord shall be effective to cause or evidence an accord and satisfaction, or acquiescence by Landlord to accept a lesser amount than is then due and owing.

13.05. Waiver of Defenses. In the event of any litigation, Tenant expressly waives the right to a trial by jury and/or to assert any off-set or counterclaim of any nature or description whatsoever.

13.06. Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of Michigan. In the event of any dispute between the parties hereto, the exclusive jurisdiction and venue for the resolution and settlement thereof shall be the appropriate district or circuit court in Oakland County, Michigan.

13.07. Conformity. In the event any term or provision hereof is held invalid, inoperative, void, or unenforceable by a court of law, the remaining provisions hereof shall (i) remain in full force; (ii) in no way be altered, affected, impaired, invalidated, or otherwise changed thereby; and (iii) be interpreted, construed and applied as though such offensive provision(s) was not in the first instance contained herein.

13.08. Notices. All notices required hereby or given pursuant hereto, if any, shall be deemed effective and binding if given in writing by certified or registered mail, return receipt requested, (regardless of whether the return receipt is received by sender), or any of the nationally recognized private next-day delivery carriers, or by telegram, telecopy, or fax, or given in person, at the addresses provided for herein and shall be deemed effective on the first business day following dispatch. Business days exclude Sundays and legal holidays of the United States.

13.09. Captions. Article and paragraph titles, headings and/or captions contained herein have been inserted solely as a means of reference and convenience. Such captions shall not affect the interpretation or construction of this Lease and shall not define, limit, extend or otherwise described the scope of this Lease or the intent of any provision hereof.

13.10. Gender. Whenever required by the context or use in this Lease, the singular word shall include the plural word and the masculine gender shall include the feminine and/or neuter genders, and vice versa.

13.11. Entire Lease. This Lease, all Exhibits referred to herein and/or attached hereto and the rules and regulations, if any, constitute the entire and integrated agreement between Landlord and Tenant and supercedes and cancels any prior or contemporaneous arrangements, understandings or agreements, whether written or oral, by and between Landlord and Tenant relative to the subject matter hereof.

13.12. Binding Effect. All rights and obligations contained herein shall be binding upon and inure to the benefit of Landlord and Tenant, and their respective successors, and permitted assigns, if any.

13.13. Intent. Notwithstanding anything to the contrary contained in this Lease, it is the intent of the parties hereto that this Lease be a net lease with Landlord incurring no obligation, monetary or otherwise, which is not specifically and expressly provided for in this Lease.

13.14. Receipt. Landlord and Tenant hereby acknowledge that they have read, fully understand and agree to all of the above, and that they have executed and delivered the original of this Lease as of the date first set forth hereinabove, and accept a copy of this Lease and all Exhibits referenced herein, appropriately completed.

IN WITNESS WHEREOF, this Lease Agreement shall be deemed entered into and effective on the last date shown below.

ROCKWELL MEDICAL SUPPLY, L.L.C., a Michigan limited liability company

BY: /s/ Robert L. Chioini

Rob Chioini, Member

BY: TK Investment Company, a Michigan co-partnership Member

BY: Chilakapati Family Limited Partnership, a Michigan limited partnership, Partner

BY: /s/ Vijay Kumar Chilakapati

Vijay Kumar Chilakapati, General Partner

And: Thavarajah Family Limited Partnership, a Michigan limited partnership, Partner

By: /s/ Krishnapillai Thavarajah

Krishnapillai Thavarajah, General Partner

Dated: September 6, 1995

"TENANT"

OAKLAND OAKS, L.L.C., a Michigan limited liability company

By: /s/ Douglas W. Manix

Douglas W. Manix, Managing Member

Dated: 09/08/95, 1995

"LANDLORD"

TENANT'S ACKNOWLEDGEMENT

STATE OF MICHIGAN)
)
COUNTY OF OAKLAND)

This 6th day of September, 1995, before me, a Notary Public in and for said County, personally appeared Rob Chioini, Vijay Chilakapati, on behalf of Chilakapati Family Limited Partnership, and Krishnapillai Thavarajah, on behalf of Thavarajah Family Limited Partnership, co-partners of TK Investment Company, a Michigan co-partnership, all Members of Rockwell Medical Supply, L.L.C., who acknowledged that they did sign said instrument as a members on behalf of said limited liability company, and that said instrument is the voluntary act and deed of said limited liability company.

/s/ Burton H. Schwartz

Burton H. Schwartz Notary Public
Oakland County, MI
My Commission Expires: 6-8-97

LANDLORD'S ACKNOWLEDGMENT

STATE OF MICHIGAN)
)
COUNTY OF OAKLAND)

This 8th day of September, 1995, before me, a Notary Public in and for said County, personally appeared Douglas W. Manix,, who acknowledged that he is the Managing Member of Oakland Oaks, L.L.C., which executed the foregoing instrument as Landlord, that he did sign said instrument as a manager on behalf of said limited liability company, and that said instrument is the voluntary act and deed of said limited liability company.

[sig]

Notary Public
Oakland County, MI

My Commission Expires: 8-6-96

EXHIBIT 10.10

ASSIGNMENT AND FIRST AMENDMENT TO WIXOM BUILDING LEASE

GRAND OAKS INDUSTRIAL PARK

THIS LEASE ASSIGNMENT AND AMENDMENT is made and entered into as of the date of the last signature shown on the signature page hereof, by and between OAKLAND OAKS, L.L.C., a Michigan limited liability company, whose address is 21520 Bridge Street, Southfield, Michigan 48034 ("Landlord"), ROCKWELL MEDICAL SUPPLY, L.L.C., a Michigan limited liability company whose address is 28025 Oakland Oaks, Wixom, Michigan 48393 ("Assignor"), ROCKWELL MEDICAL TECHNOLOGIES, INC., a Michigan corporation, whose address is 28025 Oakland Oaks, Wixom, Michigan 48393 ("Assignee"), and by DR. KRISHNAPILLAI THAVARAJAH, whose address is 15 Pine Gate Drive, Bloomfield Hills, Michigan 48304 and DR. VIJAY CHILAKAPATI whose address is 18100 Parkridge Drive, Riverview, Michigan 48192, ("Guarantors").

RECITALS:

A. On or about September 8, 1995 Landlord and Assignor entered into a Wixom Building Lease (the "Lease") regarding the lease by Landlord to Assignor as "Tenant" of a Free standing light industrial building located at 28025 Oakland Oaks, Wixom, Michigan (the "Leased Premises").

B. The obligations of Tenant under the Lease were unconditionally guaranteed by the Guarantors, under a Personal Guaranty of Lease, dated September 6, 1995.

C. Assignor desires herein to assign all of its right, title and interest in the Lease and Leased Premises to Assignee.

D. Landlord is willing, on the terms specifically provided herein, to amend the Lease, consent to assignment of Tenants rights to Assignee, and to discharge the Guarantors.

CONSIDERATION AND AGREEMENT:

NOW THEREFORE, in consideration of the mutual covenants and benefits set forth herein, the sufficiency and adequacy of which are hereby mutually acknowledged and accepted, and with the intent to be legally bound hereby, the parties hereby agree as follows:

1. Assignment of Lease. Assignor hereby grants, assigns, transfers, conveys, sets over and delivers to Assignee all of Assignor's right, title and interest, as Tenant, in and to the Lease and the Leased Premises, including all of Assignor's rights, if any, in the Security Deposit. Assignee hereby assumes and agrees to perform all obligations of Assignor, as Tenant, and Assignee shall be bound by the terms of the Lease as though a signatory thereto in the first instance, other than liabilities and obligations arising out of or relating to any breach or default of Assignor occurring on or prior to the date hereof. Landlord hereby consents to the foregoing assignment of Lease to Assignee and agrees that the assignment

of the Lease will not (i) result in a default by the Assignor or Assignee under the Lease or (ii) terminate or modify any of the rights of Assignee under the Lease..

2. Amendment of Lease. Simultaneously herewith, Assignee has deposited with Landlord the sum of $177,937.47, in immediately available funds (i.e., cashier's or certified check, or wire transfer). Said sum shall be held, together with the initial Security Deposit of $39,541.66, for a total Security Deposit, to be held and applied by Landlord in accordance with this paragraph and Section 3.05 of the Lease, in the amount of $217,479.13. Provided that Tenant is not then and has not, at any time preceding such date been in default under the Lease, the Security Deposit will be applied against monthly base rent, in accordance with the following schedule:

MONTH OF APPLICATION		AMOUNT TO BE APPLIED
January	1998	$19,770.83
February	1998	$19,770.83
January	1999	$19,770.83
February	1999	$19,770.83
January	2000	$19,770.83
February	2000	$19,770.83
March	2000	$19,770.83

Upon application of the Security Deposit as aforesaid, the entire remaining balance thereof ($79,083.32) shall be held until expiration of the Lease or applied as otherwise permitted under the terms thereof.

3. Release of Guarantors. Guarantors are hereby released and discharged of all further liability under the Guaranty.

4. Representation by Landlord. Landlord represents and warrants to Assignee that (i) Exhibit A attached hereto is a true and correct copy of the entire Lease and there have been no amendments or modifications thereto, (ii) the Lease represents a valid and binding obligation of the Landlord in accordance with its terms, and (iii) except as to payment of the invoice attached hereto as Exhibit B, which remains outstanding as of the date hereof, Landlord has no current actual knowledge that there has occurred an event which would constitute any breach of or default in any provision of the Lease or which would permit the acceleration or termination of any obligation of any party thereto, or which would give rise to any of the foregoing upon the giving of notice or lapse of time or both.

4. Attorneys Fees. Assignee shall be solely responsible to reimburse Landlord for its attorneys fees and any other costs incurred in connection with this Agreement, including charges levied against Landlord by its mortgage lender and such lender's legal counsel.

5. Capitalized Terms. Capitalized terms when used herein shall have the same meaning as are attributed to them in the Lease, unless a contrary or different meaning is specifically stated herein.

6. Entire Lease. The Lease, all Exhibits referred therein and/or attached thereto, the rules and regulations, if any, and this Amendment constitute the entire and integrated agreement between Landlord and Assignee as Tenant.

7. Binding Effect. All rights and obligations contained herein shall be binding upon and inure to the benefit of Landlord and Assignee, and their respective successors, and permitted assigns, if any.

8. Receipt. The parties hereto each hereby acknowledge that they have read, fully understand and agree to all of the above, and that they have executed and delivered the original of this Amendment as of the date first set forth hereinabove, and accept a copy hereof.

9. Counterparts. This Amendment Agreement may be executed in one or more counterpart copies, all of which shall constitute and be deemed an original, but all of which together shall constitute one and the same instrument binding on all the parties.

IN WITNESS WHEREOF, this Amendment Agreement shall be deemed entered into and effective on the last date shown below.

ROCKWELL MEDICAL SUPPLY, L.L.C., a
Michigan limited liability company

By: /s/ Robert L. Chioini

Robert L. Chioini, Member

By: TK Investment Company, a Michigan
co-partnership, Member

By: /s/ Vijay Kumar Chilakapati

Chilakapati Family Limited Partnership,
a Michigan limited partnership, Partner

By: /s/ Vijay Kumar Chilakapati

Vijay Chilakapati, General Partner

And: Thavarajah Family Limited Partnership,
a Michigan limited partnership, Partner

By: /s/ Krishnapillai Thavarajah

Krishnapillai Thavarajah, General Partner

Dated: February 19, 1997

"ASSIGNOR:

ROCKWELL MEDICAL TECHNOLOGIES, INC.
a Michigan corporation

By: /s/ Robert L. Chioini

Robert L. Chioini, President

Dated: February 19, 1997

"ASSIGNEE"

/s/ Krishnapillai Thavarajah

Dr. Krishnapillai Thavarajah

/s/ Vijay Kumar Chilakapati

Dr. Vijay Kumar Chilakapati

Dated: February 19, 1997

"GUARANTORS"

OAKLAND OAKS, L.L.C., a Michigan
limited liability company

By: /s/ Douglas W. Manix

Douglas W. Manix, Managing Member

Dated: February 19, 1997

"LANDLORD"

EXHIBIT 21.1

SUBSIDIARIES

Name	State of Incorporation
Rockwell Transportation, Inc.	Michigan

[COOPERS & LYBRAND LETTERHEAD]

EXHIBIT 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the inclusion in this registration statement on Form SB-2 of our report dated July 11, 1997 on our audits of the combined financial statements of Rockwell Medical Supplies, L.L.C. and Rockwell Transportation, L.L.C. and our report which includes an explanatory paragraph related to the uncertainty of the Company's ability to continue as a going concern, dated July 11, 1997, except for Note 11, as to which the date is July 22, 1997 on our audit of the consolidated financial statements of Rockwell Medical Technologies, Inc. We also consent to the reference to our Firm under the caption "Experts".

/s/ COOPERS & LYBRAND L.L.P.

Detroit, Michigan
July 22, 1997

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM ROCKWELL MEDICAL TECHNOLOGIES, INC. AND SUBSIDIARY AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FORM SB-2

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FEB-20-1997
MAY-31-1997
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(772,389)
.30
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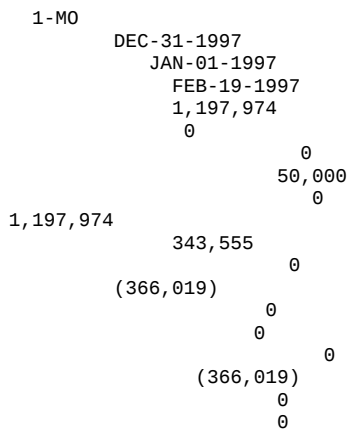
CT

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM ROCKWELL MEDICAL SUPPLIES, LLC AND ROCKWELL TRANSPORTATION, LLC AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH SB-2



CT

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM ROCKWELL MEDICAL SUPPLIES, LLC AND ROCKWELL TRANSPORTATION LLC AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH SB-2

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	DEC-31-1996
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