U. S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended **March 31, 2016**

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from __to__.

Commission File Number 001-36860

LION BIOTECHNOLOGIES, INC.

(Exact name of small business issuer as specified in its charter)

Nevada	75-3254381
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification number)

112 W. 34th Street, 17th floor, New York, NY 10120
(Address of principal executive offices and zip code)

(212)946-4856
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☒
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐No ☒

At April 30, 2016, the issuer had 48,552,478 shares of common stock, par value $0.000041666 per share, outstanding.

LION BIOTECHNOLOGIES, INC.
FORM 10-Q
For the Quarter Ended March 31, 2016

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PART I. FINANCIAL INFORMATION

Item 1. **Condensed Financial Statements**

LION BIOTECHNOLOGIES, INC.
Condensed Balance Sheets
(in thousands, except share information)

	March 31, 2016	December 31, 2015
ASSETS	(unaudited)	
Current Assets		
Cash and cash equivalents	$ 8,943	$ 13,642
Money market funds	29,972	19,945
Short-term investments available for sale	60,251	70,113
Prepaid expenses and other current assets	193	277
Total Current Assets	99,359	103,977
Property and equipment, net of accumulated depreciation and amortization of $1,372 and $1,103, respectively	1,409	1,676
Total Assets	$ 100,768	$ 105,653
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	$ 1,054	$ 958
Accrued expenses	690	586
Accrued payable to officers and former directors	86	86
Total Current Liabilities	1,830	1,630
Commitments and contingencies		
Stockholders' Equity		
Preferred stock, $0.001 par value; 50,000,000 shares authorized, 1,694 shares issued and outstanding	-	-
Common stock, $0.000041666 par value; 150,000,000 shares authorized, 48,516,528 and 48,547,720 shares issued and outstanding, respectively	2	2
Common stock to be issued, 303,125 shares	245	245
Accumulated other comprehensive income	68	48
Additional paid-in capital	209,729	207,950
Accumulated deficit	(111,106)	(104,222)
Total Stockholders' Equity	98,938	104,023
Total Liabilities and Stockholders' Equity	$ 100,768	$ 105,653

The accompanying notes are an integral part of these condensed financial statements.

LION BIOTECHNOLOGIES, INC.
Condensed Statements of Operations
(in thousands, except per share information)
(Unaudited)

	For the Three Months Ended March 31,	
	2016	**2015**
Revenues	**$ -**	**$ -**
Costs and expenses		
Research and development (including $585 and $387 in share-based compensation costs)	4,192	2,398
General and administrative (including $1,194 and $1,080 in share-based compensation costs)	2,818	2,900
Total costs and expenses	7,010	5,298
Loss from operations	(7,010)	(5,298)
Other income		
Interest income	126	-
Net Loss	$ (6,884)	$ (5,298)
Net Loss Per Share, Basic and Diluted	$ (0.14)	$ (0.14)
Weighted-Average Common Shares Outstanding, Basic and Diluted	48,547,534	37,678,662

The accompanying notes are an integral part of these condensed financial statements.

LION BIOTECHNOLOGIES, INC.
Condensed Statements of Comprehensive Loss
(in thousands, except share information)
(Unaudited)

	For the Three Months Ended March 31,	
	2016	**2015**
Net Loss	$ (6,884)	$ (5,298)
Other comprehensive income:		
Unrealized gain on short-term investments	20	-
Comprehensive Loss	$ (6,864)	$ (5,298)

The accompanying notes are an integral part of these condensed financial statements.

LION BIOTECHNOLOGIES, INC.
Statement of Stockholders' Equity
For the Three Months Ended March 31,2016
(In thousands, except share information)
(Unaudited)

	Preferred Stock		Common Stock		Common Stock to	Additional Paid-In	Accumulated Other Comprehensive	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Be Issued	Capital	Income	Deficit	Equity
Balance - January 1, 2016	1,694	$ -	48,547,720	$ 2	$ 245	$ 207,950	$ 48	$ (104,222)	$ 104,023
Fair value of vested stock options						1,483			1,483
Vesting of restricted shares issued for services						296			296
Cancellation of stock option and restricted shares issued for services			(31,192)			-			-
Unrealized gain on short- term investments							20		20
Net loss								(6,884)	(6,884)
Balance - March 31, 2016	1,694	$ -	48,516,528	$ 2	$ 245	$ 209,729	$ 68	$ (111,106)	$ 98,938

The accompanying notes are an integral part of these condensed financial statements.

LION BIOTECHNOLOGIES, INC.
Statements of Cash Flows
(In thousands)
(Unaudited)

	For the Three Months Ended March 31,	
	2016	**2015**
Cash Flows From Operating Activities		
Net loss	$ (6,884)	$ (5,298)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	269	185
Fair value of vested stock options	1,483	1,017
Common stock issued for services	296	450
Changes in assets and liabilities:		
Prepaid expenses and other current assets	84	(62)
Accounts payable and accrued expenses	200	249
Net Cash Used In Operating Activities	(4,552)	(3,459)
Cash Flows From Investing Activities		
Purchase of money market funds	(10,027)	-
Purchase of short- term investments	(29,273)	-
Maturities of short- term investments	39,155	-
Purchase of property and equipment	(2)	(782)
Net Cash Used In Investing Activities	(147)	(782)
Cash Flows From Financing Activities		
Proceeds from the issuance of common stock upon exercise of warrants	-	2,304
Proceeds from the issuance of common stock, net	-	68,308
Net Cash Provided By Financing Activities	-	70,612
Net (decrease) increase in cash and cash equivalents	(4,699)	66,371
Cash and Cash Equivalents, Beginning of Period	13,642	44,909
Cash and Cash Equivalents, End of Period	$ 8,943	$ 111,280
Supplemental Disclosures of Cash Flow Information:		
Unrealized gain on short-term investments	$ 20	$ -

The accompanying notes are an integral part of these condensed financial statements.

NOTE 1. GENERAL ORGANIZATION AND BUSINESS

Lion Biotechnologies, Inc. (the "Company," "we," "us" or "our") is a biotechnology company focused on developing and commercializing adoptive cell therapy (ACT) using autologous tumor infiltrating lymphocytes (TIL) for the treatment of metastatic melanoma and other solid cancers. ACT utilizes T-cells harvested from a patient to treat cancer in that patient. TIL, a kind of anti-tumor T-cells that are naturally present in a patient's tumors, are collected from individual patient tumor samples. The TIL are then activated and expanded ex vivo and then infused back into the patient to fight their tumor cells.

Basis of Presentation of Unaudited Condensed Financial Information

The unaudited condensed financial statements of the Company for the three months ended March 31, 2016 and 2015 have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and pursuant to the requirements for reporting on Form 10-Q and Regulation S-K. Accordingly, they do not include all the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. However, such information reflects all adjustments (consisting solely of normal recurring adjustments), which are, in the opinion of management, necessary for the fair presentation of the financial position and the results of operations. Results shown for interim periods are not necessarily indicative of the results to be obtained for a full fiscal year. The balance sheet information as of December 31, 2015 was derived from the audited financial statements included in the Company's financial statements as of and for the year ended December 31, 2015 included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on March 11, 2016. These financial statements should be read in conjunction with that report.

Liquidity

We are currently engaged in the development of therapeutics to fight cancer, we do not have any commercial products and have not yet generated any revenues from our biopharmaceutical business. We currently do not anticipate that we will generate any revenues during 2016 from the sale or licensing of any products. As shown in the accompanying condensed financial statements, we have incurred a net loss of $6.9 million for the three months ended March 31, 2016 and used $4.6 million of cash in our operating activities during the three months ended March 31, 2016. As of March 31, 2016, we had $99.2 million of cash, money market funds, and short-term investments on hand, stockholders' equity of $98.9 million and had working capital of $97.5 million.

During 2016, we expect to further ramp up our clinical operations and research activities, which will increase the amount of cash we will use. Specifically, our budget for 2016 includes increased spending on Phase II clinical trials, research and development activities, higher payroll expenses as we increase our professional and scientific staff, as well as ongoing payments under our Cooperative Research and Development Agreement (CRADA) with the National Cancer Institute (NCI). We estimate that we will spend between $30- $35 million in cash during 2016. Based on the funds we had available on March 31, 2016, we believe that we have sufficient capital to fund our anticipated operating expenses for at least 12 months.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES

Short-term Investments

The Company's short-term investments represent available for sale securities and are recorded at fair value and unrealized gains and losses are recorded within accumulated other comprehensive income (loss). The estimated fair value of the available for sale securities is determined based on quoted market prices or rates for similar instruments. In addition, the cost of debt securities in this category is adjusted for amortization of premium and accretion of discount to maturity. The Company evaluates securities with unrealized losses to determine whether such losses, if any, are other than temporary.

Loss per Share

Basic earnings (loss) per share is computed by dividing the net income (loss) applicable to common stockholders by the weighted average number of shares of common stock outstanding during the period. Shares of restricted stock are included in the basic weighted average number of common shares outstanding from the time they vest. Diluted earnings (loss) per share is computed by dividing the net income (loss) applicable to common stockholders by the weighted average number of common shares outstanding plus the number of additional common shares that would have been outstanding if all dilutive potential common shares had been issued. Shares of restricted stock are included in the diluted weighted average number of common shares outstanding from the date they are granted until which time they vest, unless they are antidilutive. For the three month ended March 31, 2016, and 2015, the calculations of basic and diluted loss per share are the same because inclusion of potential dilutive securities in the computation would have an anti-dilutive effect due to the net losses.

At March 31, 2016 and 2015, the dilutive impact of outstanding stock options for 3,367,129 and 1,907,877 shares, respectively; outstanding warrants for 7,202,216 shares; and preferred stock that can convert into 847,000 shares of our common stock, have been excluded because their impact on the loss per share is anti-dilutive.

Fair Value Measurements

Under FASB ASC 820, Fair Value Measurements and Disclosures, fair value is defined as the price at which an asset could be exchanged or a liability transferred in a transaction between knowledgeable, willing parties in the principal or most advantageous market for the asset or liability. Where available, fair value is based on observable market prices or parameters or derived from such prices or parameters. Where observable prices or parameters are not available, valuation models are applied.

Assets and liabilities recorded at fair value in our financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels directly related to the amount of subjectivity associated with the inputs to fair valuation of these assets and liabilities, are as follows:

Level 1—Inputs are unadjusted, quoted prices in active markets for identical assets at the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair valued assets we hold that are generally included under this Level 1 are money market securities where fair value is based on publicly quoted prices.

Level 2—Are inputs, other than quoted prices included in Level 1, that are either directly or indirectly observable for the asset or liability through correlation with market data at the reporting date and for the duration of the instrument's anticipated life.

The fair valued assets we hold that are generally assessed under Level 2 are corporate bonds and commercial paper. We utilize third party pricing services in developing fair value measurements where fair value is based on valuation methodologies such as models using observable market inputs, including benchmark yields, reported trades, broker/dealer quotes, bids, offers and other reference data. We use quotes from external pricing service providers and other on-line quotation systems to verify the fair value of investments provided by our third party pricing service providers. We review independent auditor's reports from our third party pricing service providers particularly regarding the controls over pricing and valuation of financial instruments and ensure that our internal controls address certain control deficiencies, if any, and complementary user entity controls are in place.

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities and which reflect management's best estimate of what market participants would use in pricing the asset or liability at the reporting date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model.

We do not have fair valued assets classified under Level 3.

The Company believes the carrying amount of its financial instruments (consisting of cash and cash equivalents, and accounts payable and accrued expenses) approximates fair value due to the short-term nature of such instruments.

Fair Value on a Recurring Basis

Financial assets measured at fair value on a recurring basis are categorized in the tables below based upon the lowest level of significant input to the valuations (in thousands):

	Assets at Fair Value as of March 31, 2016			
	Level 1	Level 2	Level 3	Total
Corporate debt securities	$ -	$ 60,251	$ -	$ 60,251
Total	$ -	$ 60,251	$ -	$ 60,251

	Assets at Fair Value as of December 31, 2015			
	Level 1	Level 2	Level 3	Total
Corporate debt securities	$ -	$ 70,113	$ -	$ 70,113
Total	$ -	$ 70,113	$ -	$ 90,058

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make 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 the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include valuation of available-for-sale investments, accounting for potential liabilities, the valuation allowance associated with the Company's deferred tax assets, and the assumptions made in valuing stock instruments issued for services.

Stock-Based Compensation

The Company periodically grants stock options and warrants to employees and non-employees in non-capital raising transactions as compensation for services rendered. The Company accounts for stock option grants to employees based on the authoritative guidance provided by the Financial Accounting Standards Board where the value of the award is measured on the date of grant and recognized over the vesting period. The Company accounts for stock option grants to non-employees in accordance with the authoritative guidance of the Financial Accounting Standards Board where the value of the stock compensation is determined based upon the measurement date at either a) the date at which a performance commitment is reached, or b) at the date at which the necessary performance to earn the equity instruments is complete. Non-employee stock-based compensation charges generally are amortized over the vesting period on a straight-line basis. In certain circumstances where there are no future performance requirements by the non-employee, option grants are immediately vested and the total stock-based compensation charge is recorded in the period of the measurement date.

The fair value of the Company's common stock option grants is estimated using a Black-Scholes option pricing model, which uses certain assumptions related to risk-free interest rates, expected volatility, expected life of the common stock options, and future dividends. Compensation expense is recorded based upon the value derived from the Black-Scholes option pricing model, and based on actual experience. The assumptions used in the Black-Scholes option pricing model could materially affect compensation expense recorded in future periods.

The Company issues restricted shares of its common stock for share-based compensation programs. The Company measures the compensation cost with respect to restricted shares to employees based upon the estimated fair value of the equity instruments at the date of the grant, and is recognized as expense over the period which an employee is required to provide services in exchange for the award.

Total stock-based compensation expense related to all of our stock-based awards was as follows (in thousands):

	For the Three Months Ended March 31,	
	2016	2015
Research and development	$ 585	$ 387
General and administrative	1,194	1,080
Total stock-based compensation expense	$ 1,779	$ 1,467

Concentrations

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist principally of cash.

The Company maintains cash balances at one bank. At times, the amount on deposit exceeds the federally insured limits. Management believes that the financial institution that holds the Company's cash is financially sound and, accordingly, minimal credit risk exists. As of March 31, 2016 and 2015, the Company's cash balances were in excess of insured limits maintained at the bank.

Recent Accounting Pronouncements

In January 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-01, Recognition and Measurement of Financial Assets and Financial Liabilities. The new guidance will impact the accounting for equity investments, financial liabilities under the fair value option, and the presentation and disclosure requirements for financial instruments. All equity investments in unconsolidated entities (other than those accounted for under the equity method of accounting) will generally be measured at fair value with changes in fair value recognized through earnings. There will no longer be an available-for-sale classification for equity securities with readily determinable fair values in which changes in fair value are currently reported in other comprehensive income. In addition, the FASB clarified the need for a valuation allowance on deferred tax assets resulting from unrealized losses on available-for-sale debt securities. In general, the new guidance will require modified retrospective application to all outstanding instruments, with a cumulative effect adjustment recorded to opening retained earnings. This guidance will be effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. Early adoption is permitted commencing January 1, 2017. We are currently evaluating the expected impact that the standard could have on our financial statements and related disclosures.

In February 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-02, Leases. ASU 2016-02 requires a lessee to record a right of use asset and a corresponding lease liability on the balance sheet for all leases with terms longer than 12 months. ASU 2016-02 is effective for all interim and annual reporting periods beginning after December 15, 2018. Early adoption is permitted. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Company is in the process of evaluating the impact of ASU 2016-02 on the Company's financial statements and disclosures.

Other recent accounting pronouncements issued by the FASB, including its Emerging Issues Task Force, the American Institute of Certified Public Accountants, and the Securities and Exchange Commission did not or are not believed by management to have a material impact on the Company's present or future consolidated financial statements.

Reclassifications

In presenting the Company's statement of operations for the three months ended March 31, 2015, the Company has reclassified $0.3 million, of stock-based compensation that was previously reflected as general and administrative expenses to research and development expenses. The reclassification relates to stock-based compensation attributable to individuals working in the Company's research and development activities, and had no impact on total costs and expenses, or on net loss.

Subsequent Events

The Company evaluates events that have occurred after the balance sheet date but before the financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required adjustment or disclosure in the condensed financial statements.

NOTE 3. CASH, MONEY MARKET FUNDS, AND SHORT-TERM INVESTMENTS

Cash, money market funds, and short-term investments consist of the following (in thousands):

	March 31, 2016	December 31, 2015
Checking and savings accounts (reported as cash and cash equivalents)	$ 8,943	$ 13,642
Money market funds	29,972	19,945
Corporate debt securities (reported as short-term investments)	60,251	70,113
	$ 99,166	$ 103,700

Money market funds and short-term investments include the following securities with gross unrealized gains and losses (in thousands):

March 31, 2016	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Money market funds	$ 29,972	$ -	$ -	$ 29,972
Corporate debt securities	60,183	68	-	60,251
Total	$ 90,155	$ 68	$ -	$ 90,223

December 31, 2015	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Money market funds	$ 19,945	$ -	$ -	$ 19,945
Corporate debt securities	70,065	48	-	70,113
Total	$ 90,010	$ 48	$ -	$ 90,058

As of March 31, 2016, the contractual maturities of our money market funds and short-term investments were (in thousands):

	Within One Year
Money market funds	$ 29,972
Corporate debt securities	60,251
	$ 90,223

At March 31, 2016, the Company's short-term investments were invested in short-term fixed income debt securities and notes of domestic and foreign high credit issuers and in money market funds. The Company's investment policy limits investments to certain types of instruments such as certificates of deposit, money market instruments, obligations issued by the U.S. government and U.S. government agencies as well as corporate debt securities, and places restrictions on maturities and concentration by type and issuer. At March 31, 2016, the Company's short-term investments totaled $60.3 million, of which 50% were invested in notes of five companies, 44% were invested in notes of other domestic issuers, and 6% were invested in notes of foreign issuers. The average maturity of these notes was 85 days. At March 31, 2016 the Company's money-market funds totaled approximately $30 million and were invested in a single, no-load money market fund.

NOTE 4. STOCKHOLDERS' EQUITY

During 2016, certain employees authorized the Company to cancel 41,193 vested shares to satisfy withholding requirements related to such vesting. The cancellation is recorded as a reduction to shares outstanding. Additionally, shares of restricted stock granted above are subject to forfeiture to the Company or other restrictions that will lapse in accordance with a vesting schedule determined by our Board.

The following table summarizes restricted common stock activity:

	Number of Shares	Weighted Average Grant Date Fair Value
Non-vested shares, January 1, 2016	321,252	$ 6.96
Granted		
Vested	(73,126)	6.40
Forfeited	-	-
Non-vested shares, March 31, 2016	248,126	$ 7.13

NOTE 5. STOCK OPTIONS AND WARRANTS

Stock Options

A summary of the status of stock options at March 31, 2016, and the changes during the three months then ended, is presented in the following table:

	Shares Under Option	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value (in thousands)
Outstanding at January 1, 2016	2,693,237	$ 8.12	8.02	$ 2,347
Granted	986,422	5.02	9.9	
Exercised	-	-	-	-
Expired/Forfeited	(312,530)	8.01	-	-
Outstanding at March 31, 2016	3,367,129	$ 7.15	8.87	$ 185
Exercisable at March 31, 2016	1,151,221	$ 8.26	7.82	$ 24

During the three months ended March 31, 2016, the Company granted options to purchase 986,422 shares of common stock to new employees and directors of the Company. The stock options generally vest between one and three years. The fair value of these options was determined to be $4.8 million using the Black-Scholes option pricing model based on the following assumptions: (i) volatility rate of 194%, (ii) discount rate of 1.78%, (iii) zero expected dividend yield, and (iv) expected life of 6 years.

During the period ended March 31, 2016 and 2015, the Company recorded compensation costs of $1.5 million and $1.0 million, respectively, relating to the vesting of stock options. As of March 31, 2016, the aggregate value of unvested options was $12.8 million, which will continue to be amortized as compensation cost as the options vest over terms ranging from nine months to three years, as applicable.

NOTE 6. LICENSE AND COMMITMENTS

National Institutes of Health and the National Cancer Institute

Cooperative Research and Development Agreement
Effective August 5, 2011, the Company signed a Cooperative Research and Development Agreement (CRADA) with the National Institutes of Health and the National Cancer Institute (NCI). Under the terms of the five-year cooperative research and development agreement, the Company will work with Dr. Steven A. Rosenberg, M.D., Ph.D., chief of NCI's Surgery Branch, to develop adoptive cell immunotherapies that are designed to destroy metastatic melanoma cells using a patient's tumor infiltrating lymphocytes.

On January 22, 2015, the Company executed an amendment (the "Amendment") to the CRADA to include four new indications. As amended, in addition to metastatic melanoma, the CRADA now also includes the development of TIL therapy for the treatment of patients with bladder, lung, triple-negative breast, and HPV-associated cancers. Under the Amendment, the NCI also has agreed to provide the Company with samples of all tumors covered by the Amendment for performing studies related to improving TIL selection and/or TIL scale-out production and process development. Although the CRADA has a five year term, either party to the CRADA has the right to terminate the CRADA upon 60 days' notice to the other party.

Development and Manufacture TIL
Effective October 5, 2011, the Company entered into a Patent License Agreement with the National Institutes of Health, an agency of the United States Public Health Service within the Department of Health and Human Services ("NIH"), which License Agreement was subsequently amended on February 9, 2015 and October 2, 2015. Pursuant to the License Agreement as amended, NIH granted to the Company an exclusive worldwide right and license to develop and manufacture certain proprietary autologous tumor infiltrating lymphocyte adoptive cell therapy products for the treatment of metastatic melanoma, ovarian cancer, breast cancer, and colorectal cancer. The License Agreement requires the Company to pay royalties based on a percentage of net sales (which percentage is in the mid-single digits and subject to certain annual minimum royalty payments), a percentage of revenues from sublicensing arrangements, and lump sum benchmark royalty payments on the achievement of certain clinical and regulatory milestones for each of the various indications and other direct costs incurred by NIH pursuant to the agreement.

Exclusive Patent License Agreement
On February 10, 2015, the Company entered into an exclusive Patent License Agreement with the NIH under which the Company received an exclusive, world-wide license to the NIH's rights in and to two patent-pending technologies related to methods for improving tumor-infiltrating lymphocytes for adoptive cell therapy. The licensed technologies relate to the more potent and efficient production of TIL from melanoma tumors by selecting for T-cell populations that express various inhibitory receptors. Unless terminated sooner, the license shall remain in effect until the last licensed patent right expires.

In consideration for the exclusive rights granted under the exclusive Patent License Agreement, the Company agreed to pay the NIH a non-refundable upfront licensing fee which was recognized as research and development expense during the year ended December 31, 2015. The Company also agreed to pay customary royalties based on a percentage of net sales (which percentage is in the mid-single digits), a percentage of revenues from sublicensing arrangements, and lump sum benchmark payments upon the successful completion of the Company's first Phase 2 clinical study, the successful completion of the Company's first Phase 3 clinical study, the receipt of the first FDA approval or foreign equivalent for a licensed product or process resulting from the licensed technologies, the first commercial sale of a licensed product or process in the United States, and the first commercial sale of a licensed product or process in any foreign country. The Company will also be responsible for all costs associated with the preparation, filing, maintenance and prosecution of the patent applications and patents covered by the License.

H. Lee Moffitt Cancer Center

Research Collaboration Agreement
In September, 2014, we entered into a research collaboration agreement with the H. Lee Moffitt Cancer Center and Research Institute, Inc. to jointly engage in transitional research and development of adoptive tumor-infiltrating lymphocyte cell therapy with improved anti-tumor properties and process.

Exclusive License Agreement
The Company entered into an Exclusive License Agreement (the "Moffitt License Agreement"), effective as of June 28, 2014, with the H. Lee Moffitt Cancer Center and Research Institute, Inc. ("Moffitt") under which the Company received an exclusive, world-wide license to Moffitt's rights in and to two patent-pending technologies related to methods for improving tumor-infiltrating lymphocytes for adoptive cell therapy. Unless earlier terminated, the term of the license extends until the earlier of the expiration of the last patent related to the licensed technology or 20 years after the effective date of the license agreement.

Pursuant to the Moffitt License Agreement, the Company paid an upfront licensing fee which was recognized as research and development expense during 2014. A patent issuance fee will also be payable under the Moffitt License Agreement, upon the issuance of the first U.S. patent covering the subject technology. In addition, the Company agreed to pay milestone license fees upon completion of specified milestones, customary royalties based on a specified percentage of net sales (which percentage is in the low single digits) and sublicensing payments, as applicable, and annual minimum royalties beginning with the first sale of products based on the licensed technologies, which minimum royalties will be credited against the percentage royalty payments otherwise payable in that year. The Company will also be responsible for all costs associated with the preparation, filing, maintenance and prosecution of the patent applications and patents covered by the Moffitt License Agreement related to the treatment of any cancers in the United States, Europe and Japan and in other countries selected that the Company and Moffitt agreed to.

During the three months ended March 31, 2016 and 2015, the Company recognized $0.8 million and $0.5 million respectively, of expenses related to its license agreements. The amounts were recorded as part of research and development expenses in the statements of operations. Additionally, during the three months ended March 31, 2016, there were no net sales subject to certain annual minimum royalty payments or sales that would require us to pay a percentage of revenues from sublicensing arrangements. In addition, there were no benchmarks or milestones achieved that would require payment under the lump sum benchmark royalty payments on the achievement of certain clinical regulatory milestones for each of the various indications.

Aggregate guaranteed commitments for 2016, under all of the Company's license and research agreements, are approximately $2.1 million.

Tampa Lease

In December 2014, the Company commenced a five-year non-cancellable operating lease with the University of South Florida Research Foundation for an approximately 5,200 square foot facility located in Tampa, Florida. The facility is part of the University of South Florida research park and is used as the Company's research and development facilities. The monthly base rent for this facility during the first year of the lease was $10,443 and will increase by 3% annually. The Company has the option to extend the lease term of this facility for an additional five-year period on the same terms and conditions, except that the base rent for the renewal term will be increased in accordance with the applicable consumer price index.

The minimum lease payments are as follows (in thousands):

Year	Amount
2016 (remaining)	$ 114
2017	157
2018	162
2019	167
	$ 638

NOTE 7. LEGAL PROCEEDINGS

SEC Settlement. As previously disclosed, on April 23, 2014 we received a subpoena from the SEC that stated that the staff of the SEC was conducting an investigation then designated as In the Matter of Galena Biopharma, Inc. File No. HO 12346 (now known as In the Matter of Certain Stock Promotions) and that the subpoena was issued to the Company as part of the foregoing investigation. The SEC's subpoena and accompanying letter did not indicate whether we were, or were not, under investigation. We produced documents in response to the subpoena and have since fully cooperated with the SEC's investigation.

We have recently been informed by the Staff of the SEC that the SEC's investigation, in part, involves the conduct of our former Chief Executive Officer, Manish singh, during the period between September 2013 and April 2014. We understand that, as it pertains to the Company's former Chief Executive Officer, the investigation has focused on the failure by authors of certain articles about the Company to disclose that they were compensated by one of our former investor relations firms. We understand that it is the position of the SEC Staff that the conduct of our former Chief Executive Officer with respect to these articles may be imputed to the Company.

In order to resolve this matter, we have agreed with the Staff of the SEC to a proposed settlement framework under which we would consent to the entry of an order requiring that we cease and desist from any future violations of certain provisions of the federal securities laws, without admitting or denying any allegations. We are currently discussing with the Staff of the SEC whether the proposed settlement will involve the payment of a financial penalty. Because we do not yet know whether a financial penalty will be part of the proposed settlement and, if so, the amount of the financial penalty, we have not accrued a liability related to this matter. The proposed settlement is contingent upon reaching agreement with the Staff of the SEC on a complete set of settlement terms and approval by the Commissioners of the SEC, neither of which can be assured.

Solomon Capital, LLC. On April 8, 2016, a lawsuit titled Solomon Capital, LLC, Solomon Capital 401(K) Trust, Solomon Sharbat and Shelhav Raff against Lion Biotechnologies, Inc. was filed by Solomon Capital, LLC, Solomon Capital 401(k) Trust, Solomon Sharbat and Shelhav Raff against the company in the Supreme Court of the State of New York County of New York (index no. 651881/2016). The plaintiffs allege that, between June and November 2012 they provided us with $52,850 and that they advanced and paid on our behalf an additional $170,000. The complaint further alleges that we agreed to (i) provide them with promissory notes totaling $222,850, plus interest, (ii) issue a total of 111,425 shares to the plaintiffs (before the 1-for-100 reverse stock effected in September 2013), and (iii) allow the plaintiffs to convert the foregoing funds into our securities in the next transaction. The plaintiffs allege that they should have been able to convert their advances and payments into shares of our common stock in the restructuring and reorganization that we effected in May 2013. Based on the foregoing, the plaintiffs allege causes for breach of contract and unjust enrichment and demand judgment against us in an unspecified amount exceeding $1,500,000, plus interest and attorneys' fees. We have begun our investigation of the allegations made by the plaintiffs and intend to vigorously defend this matter.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

In this section, "we," "our," "ours" and "us" refer to Lion Biotechnologies, Inc.

This management's discussion and analysis of financial condition as of March 31, 2016 and results of operations for the periods ended March 31, 2016 and 2015, respectively, should be read in conjunction with management's discussion and analysis of financial condition and results of operations included in our Annual Report on Form 10-K for the year ended December 31, 2015 which was filed with the SEC on March 11, 2016.

Forward-Looking Statements

The discussion below includes forward-looking statements based upon current expectations that involve risks and uncertainties, such as our plans, objectives, expectations and intentions. Actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of a number of factors. We use words such as "anticipate," "estimate," "plan," "project," "continuing," "ongoing," "expect," "believe," "intend," "may," "will," "should," "could," and similar expressions to identify forward-looking statements. All forward-looking statements included in this Quarterly Report are based on information available to us on the date hereof and, except as required by law, we assume no obligation to update any such forward-looking statements. For a discussion of some of the factors that may cause actual results to differ materially from those suggested by the forward-looking statements, please read carefully the information in the "Risk Factors" section in our Form 10-K for the year ended December 31, 2015. The identification in this Quarterly Report of factors that may affect future performance and the accuracy of forward-looking statements is meant to be illustrative and by no means exhaustive. All forward-looking statements should be evaluated with the understanding of their inherent uncertainty.

Background on the Company and Recent Events Affecting our Financial Condition and Operations

We are a clinical-stage biopharmaceutical company focused on the development and commercialization of novel cancer immunotherapy products designed to harness the power of a patient's own immune system to eradicate cancer cells. Our lead program is an adoptive cell therapy utilizing tumor-infiltrating lymphocytes (TIL), which are T cells derived from patients' tumors, for the treatment of metastatic melanoma. TIL therapy is being developed in collaboration with the National Cancer Institute (NCI). A patient's immune system, particularly their TIL, plays an important role in identifying and killing cancer cells. TIL therapy involves growing a patient's TIL in special culture conditions outside the patient's body, or ex vivo, and then infusing the T cells back into the patient in combination with interleukin-2 (IL-2). By taking TIL away from the immune-suppressive tumor microenvironment in the patient, the T cells can rapidly proliferate. Billions of TIL, when infused back into the patient, are more able to search out and eradicate the tumor.

During the third quarter of 2015, we initiated a Phase 2 clinical trial of our lead product candidate, LN-144, for the treatment of refractory metastatic melanoma. The purpose of the single-arm study is to evaluate the safety, efficacy and feasibility of autologous TIL infusion (LN-144).

In 2011, we acquired from the National Institutes of Health (NIH) a non-exclusive, worldwide right and license to certain NIH patents and patent applications to develop and manufacture autologous TIL for the treatment of metastatic melanoma, ovarian, breast, and colorectal cancers. Under a Cooperative Research and Development Agreement (CRADA) with the U.S. Department of Health and Human Services, as represented by the NCI, we support the in vitro development of improved methods for the generation and selection of TIL, the development of large-scale production of TIL, and clinical trials using these improved methods of generating TIL. On January 22, 2015, we executed an amendment to the CRADA to include four new indications. On February 9, 2015, the NIH granted us an exclusive, worldwide license to treat metastatic melanoma with TIL therapy, and on October 2, 2015, the NIH license agreement was amended to include the exclusive rights to treat breast, lung, bladder and HPV-associated cancers with TIL therapy. The amendment also removed our non-exclusive rights to treat colorectal and ovarian cancers with TIL therapy. Under the currently amended CRADA, we are required to pay the NIH a total of $0.3 million annually. In addition to our CRADA, we also conduct research and development on TIL technology at our research facility in Tampa, Florida.

Results of Operations

Revenues

As a development stage company that is currently engaged in the development of novel cancer immunotherapy products, we have not yet generated any revenues from our biopharmaceutical business or otherwise since our formation. We currently do not anticipate that we will generate any revenues during 2016 from the sale or licensing of any products. Our ability to generate revenues in the future will depend on our ability to complete the development of our product candidates and to obtain regulatory approval for them.

Research and Development

	For the Three Months Ended March 31,		Aggregate Change
	2016	2015	2016 from 2015
Research and development	$ 4,192	$ 2,398	$ 1,794
Stock-based compensation expense included in research and development expense	$ 585	$ 387	$ 198

Research and development expense consists of costs incurred in performing research and development activities, clinical trials, personnel costs for research and development employees and consultants, rent at our research and development facility in Tampa, Florida, cost of laboratory supplies, manufacturing expenses, and fees paid to third parties, including the NCI and our third party contract manufacturer that will process and manufacture our products for our clinical trial. Research and development expenses also included amounts paid to the National Institutes of Health under terms of our license agreements, and to the NCI under the CRADA. During the three months ended March 31, 2016, our research and development costs increased by $1.8 million, or 75% when compared to the same period in 2015 due to the general expansion of our research and development efforts, the expansion of our Tampa, Florida, research facility and the initiation of our Phase II clinical trial. For the three months ended March 31, 2016 and 2015 we incurred $0.6 million and $0.4 million, respectively, of non-cash stock-based compensation costs. The increases in our research and development expenses are attributable to the increase in our hiring in support of our increased clinical development activities.

Research and development activities are central to our business model. Product candidates in later stages of clinical development generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. We expect our research and development expenses to increase over the next several years as we continue to conduct our clinical trial for our products and as we increase our research and development efforts in other cancer indications. However, it is difficult to determine with certainty the duration and completion costs of our current or future preclinical programs and clinical trials of our product candidates.

The duration, costs and timing of our clinical trials and development of our product candidates will depend on a number of factors that include, but are not limited to, the number of patients that enroll in the trial, per patient trial costs, number of sites included in the trial, discontinuation rates of patients, duration of patient follow-up, efficacy and safety profile of the product candidate, and the length of time required to enroll eligible patients. Additionally, the probability of success for our product candidate will depend on a number of factors, including competition, manufacturing capability and cost efficiency, and commercial viability.

General and Administrative

	For the Three Months Ended March 31, 2016	2015	Aggregate Change 2016 from 2015
General and Administrative expenses	$ 2,818	$ 2,900	$ (82)
Stock-based compensation expense included in general and administrative expense	$ 1,194	$ 1,080	$ 114

General and administrative expenses include compensation-related costs for our employees engaged in general and administrative activities (other than employees engaged in research and development), legal fees, audit and tax fees, consultants and professional services, and general corporate expenses. For the three months ended March 31, 2016, our general and administrative expenses remained consistent when compared to the same period in 2015. In addition, in the three month periods ended March 31, 2016 and 2015 we incurred $1.1 million, and $1.0 million, respectively, of non-cash stock-based compensation costs. Share based compensation includes stock and options granted to our executive officers, our employees, our directors, and our consultants and advisors. As a result of our increased operations and the additional employees, our general and administrative expenses in the future are expected to continue to increase.

Net Loss

We had a net loss of $6.9 million and $5.3 million, for the three months ended March 31, 2016 and 2015, respectively. The increase in our net loss during 2016 is due to an increase in research and development expenses, as described above, specifically the expansion of our clinical trial activities. We anticipate that we will continue to incur net losses in the future as we continue to invest in our research and development, and we do not expect to generate any revenues in the near term.

Liquidity and Capital Resources

As a result, as of March 31, 2016, we had cash, cash equivalents and short-term investments of $99.2 million. As of March 31, 2016, we had $97.5 million of working capital.

As of March 31, 2016, we had no long-term debt obligations or other similar long-term liabilities other than various obligations under our CRADA and our license agreements. We have no financial guarantees, debt or lease agreements or other arrangements that could trigger a requirement for an early payment or that could change the value of our assets. We do not have any bank credit lines. Based on the funds we had available on March 31, 2016, we believe that we have sufficient capital to fund our anticipated operating expenses for at least 12 months.

Cash Flows from Operating, Investing and Financing Activities (in thousands):

	For three months ended March 31, 2016	2015
Net cash provided by (used in):		
Operating activities	$ (4,552)	$ (3,459)
Investing activities	(147)	(782)
Financing activities	-	70,612
Net (decrease) increase in cash and cash equivalents	$ (4,699)	$ 66,371

Net cash used in operating activities was approximately $4.6 million for the first three months of 2016 compared to approximately $3.4 million in the same period in 2015. Net cash used in operating activities primarily consisted of cash payments related to the increased spending within our research and development group in support of our clinical development programs as well as the increase in our administrative functions as we scale up our business to support of the clinical activities. The timing of cash requirements may vary from period to period depending on our research and development activities, including our planned clinical trials.

Net cash used in investing activities was approximately $0.1 million for the quarter ended March 31, 2016 compared to net cash used in investing activities of approximately $0.8 million in the first quarter of 2015. Net cash used in investing activities so far in 2016 related to net purchases of short-term investments and capital expenditures. Capital expenditures for the first quarter ended March 31, 2016 were approximately $0.02 million and $0.7 in 2016 and 2015, respectively. The objective of the company's investment policy is to ensure the safety and preservation of its capital while maximizing total return.

Net cash provided by financing activities was $0 in 2016 compared to approximately $70.6 million in 2015 due to the underwritten public offering that occurred in March 2015 .

Off-Balance Sheet Arrangements

At March 31, 2016, we had no obligations that would require disclosure as off-balance sheet arrangements.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements and accompanying notes, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. When making these estimates and assumptions, we consider our historical experience, our knowledge of economic and market factors and various other factors that we believe to be reasonable under the circumstances. Actual results may differ under different estimates and assumptions.

The accounting estimates and assumptions discussed in this section are those that we consider to be the most critical to an understanding of our financial statements because they inherently involve significant judgments and uncertainties. There were no significant changes to our critical accounting policies from those disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015

Inflation

Inflation and changing prices have had no effect on our continuing operations over our two most recent fiscal years.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our exposure to market risk is limited primarily to interest income sensitivity, which is affected by changes in the general level of U.S. interest rates, particularly because a significant portion of our investments are in short-term debt securities issued by the U.S. government and institutional money market funds. The primary objective of our investment activities is to preserve principal. Due to the nature of our marketable securities, we believe that we are not exposed to any material market risk. We do not have any derivative financial instruments or foreign currency instruments. If interest rates had varied by 10% in the three months ended March 31, 2016, it would not have had a material effect on our results of operations or cash flows for that period.

Item 4. Controls and Procedures

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, conducted an evaluation of our disclosure controls and procedures, as such term is defined under Rule 13a-15(e) promulgated under the Exchange Act as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on this evaluation, our principal executive officer and our principal financial officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this Quarterly Report.

Changes in Internal Controls Over Financial Reporting

There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended March 31, 2016 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

SEC Settlement. As previously disclosed, on April 23, 2014 we received a subpoena from the SEC that stated that the staff of the SEC was conducting an investigation then designated as In the Matter of Galena Biopharma, Inc. File No. HO 12346 (now known as In the Matter of Certain Stock Promotions) and that the subpoena was issued to the Company as part of the foregoing investigation. The SEC's subpoena and accompanying letter did not indicate whether we were, or were not, under investigation. We produced documents in response to the subpoena and have since fully cooperated with the SEC's investigation.

We have recently been informed by the Staff of the SEC that the SEC's investigation, in part, involves the conduct of our former Chief Executive Officer, Manish Singh, during the period between September 2013 and April 2014. We understand that, as it pertains to the Company's former Chief Executive Officer, the investigation has focused on the failure by authors of certain articles about the Company to disclose that they were compensated by one of our former investor relations firms. We understand that it is the position of the SEC Staff that the conduct of our former Chief Executive Officer with respect to these articles may be imputed to the Company.

In order to resolve this matter, we have agreed with the Staff of the SEC to a proposed settlement framework under which we would consent to the entry of an order requiring that we cease and desist from any future violations of certain provisions of the federal securities laws, without admitting or denying any allegations. We are currently discussing with the Staff of the SEC whether the proposed settlement will involve the payment of a financial penalty. Because we do not yet know whether a financial penalty will be part of the proposed settlement and, if so, the amount of the financial penalty, we have not accrued a liability related to this matter. The proposed settlement is contingent upon reaching agreement with the Staff of the SEC on a complete set of settlement terms and approval by the Commissioners of the SEC, neither of which can be assured.

Solomon Capital, LLC. On April 8, 2016, a lawsuit titled Solomon Capital, LLC, Solomon Capital 401(K) Trust, Solomon Sharbat and Shelhav Raff against Lion Biotechnologies, Inc. was filed by Solomon Capital, LLC, Solomon Capital 401(k) Trust, Solomon Sharbat and Shelhav Raff against the company in the Supreme Court of the State of New York County of New York (index no. 651881/2016). The plaintiffs allege that, between June and November 2012 they provided us with $52,850 and that they advanced and paid on our behalf an additional $170,000. The complaint further alleges that we agreed to (i) provide them with promissory notes totaling $222,850, plus interest, (ii) issue a total of 111,425 shares to the plaintiffs (before the 1-for-100 reverse stock effected in September 2013), and (iii) allow the plaintiffs to convert the foregoing funds into our securities in the next transaction. The plaintiffs allege that they should have been able to convert their advances and payments into shares of our common stock in the restructuring and reorganization that we effected in May 2013. Based on the foregoing, the plaintiffs allege causes for breach of contract and unjust enrichment and demand judgment against us in an unspecified amount exceeding $1,500,000, plus interest and attorneys' fees. We have begun our investigation of the allegations made by the plaintiffs and intend to vigorously defend this matter.

Item 1A. Risk Factors

Information regarding risk factors appears under "Risk Factors" included in Item 1A, Part I, and under Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations, of our Annual Report on Form 10-K for the year ended December 31, 2015. There have been no material changes from the risk factors previously disclosed in the above-mentioned periodic report.

Item 2. Unregistered Sales of Securities and Use of Proceeds.

Nothing to report.

Item 3. Defaults Upon Senior Securities.

Nothing to report.

Item 4. Mine Safety Disclosures

Nothing to report.

Item 5. Other Information.

Nothing to report.

Item 6. Exhibits

Exhibit Number	Description of Exhibit
10.1	Employment Agreement, dated January 22, 2016, between Lion Biotechnologies, Inc. and Steven A. Fischkoff, MD
10.2	Employment Agreement, dated March 28, 2016, between Lion Biotechnologies, Inc. and Michael T. Lotze, MD
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14 and Rule 15d-14(a), promulgated under the Securities and Exchange Act of 1934, as amended.
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14 and Rule 15d 14(a), promulgated under the Securities and Exchange Act of 1934, as amended.
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Executive Officer).
32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chief Financial Officer).
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Extension Presentation Linkbase

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Lion Biotechnologies, Inc.

May 9, 2016

By: /s/ Elma Hawkins
Elma Hawkins
Chief Executive Officer (Principal Executive Officer)

May 9, 2016

By: /s/ Molly Henderson
Molly Henderson
Chief Financial Officer (Principal Financial and Accounting Officer)

Exhibit 10.1

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT (the "**Agreement**") dated January 22, 2016 by and between Lion Biotechnologies, Inc., a Nevada corporation (the "**Company**"), and Dr. Steven Fischkoff ("**Executive**") (either party individually, a "**Party**"; collectively, the "**Parties**").

WHEREAS, the Company desires to retain the services of Executive to serve as the Company's Vice President – Chief Medical Officer.

WHEREAS, the Parties desire to enter into this Agreement to set forth the terms and conditions of Executive's employment by the Company and to address certain matters related to Executive's employment with the Company;

WHEREAS, both the Company and the Executive have read and understood the terms and provisions set forth in this Agreement, and Executive acknowledges Executive has been afforded a reasonable opportunity to review this Agreement with Executive's legal counsel to the extent desired;

NOW, THEREFORE, in consideration of the foregoing and the mutual provisions contained herein, and for other good and valuable consideration, the Parties hereto agree as follows:

1. Employment. Effective February 4, 2016 (the "**Effective Date**"), the Company hereby employs Executive, and Executive hereby accepts such employment, upon the terms and conditions set forth herein.

2. Duties.

2.1 Position. Executive shall be employed by the Company in the position of Vice President-Chief Medical Officer. Executive shall have the duties and responsibilities consistent with the position of Vice President-Chief Medical Officer and such other duties and responsibilities assigned by the Company's Chief Executive Officer. Executive shall perform faithfully and diligently such duties as are reasonable and customary for Executive's position, as well as such other duties as the Chief Executive Officer shall reasonably assign from time to time. Executive shall provide his services hereunder from the Company's offices in New York, New York, or from his home, as the Chief Executive Officer may hereafter direct or approve.

2.2 Best Efforts/Full-Time.

2.2(a) Executive understands and agrees that Executive will faithfully devote Executive's best efforts and substantially all of his time during normal business hours to advance the interests of the Company. Executive will abide by all policies duly adopted by the Company, as well as all applicable federal, state and local laws, regulations or ordinances. Executive will act in a manner that Executive reasonably believes to be in the best interest of the Company at all times. Executive further understands and agrees that Executive has a fiduciary duty of loyalty to the Company to the extent provided by applicable law and that Executive willtake no action which materially harms the business, business interests, or reputation of the Company.

2.2(b) Executive agrees that Executive will not directly engage in competition with the Company at any time during the existence of the employment relationship between the Company and Executive.

2.2(c) Executive agrees that, during the term of this Agreement, Executive shall work exclusively for the Company. Consequently, Executive agrees to not accept employment, of any kind, from any person or entity other than the Company, and to not perform duties or render services to any person or entity other than the Company.

3. At-Will Employment. Executive's employment with the Company will be "at- will" and will not be for any specific period of time. As a result, Executive is free to resign at any time, for any or no reason, as Executive deems appropriate. The Company will have a similar right and may terminate Executive's employment at any time, with or without cause. Executive's and the Company's respective rights and obligations at the time of termination are outlined below in Section 6 of this Agreement.

4. Compensation.

4.1 Base Salary. As compensation for the performance of all duties to be performed by Executive hereunder, the Company shall pay to Executive a base salary of
$400,000 per year, less required deductions for state and federal withholding tax, social security and all other employment taxes and authorized payroll deductions, payable on a prorated basis as it is earned, in accordance with the normal payroll practices of the Company (the "**Base Salary**").

4.2 Stock Options. As of the Effective Date, Executive shall receive stock options to purchase an aggregate of 225,000 shares of the Company's common stock. To the extent legally permitted, the stock options shall be incentive stock options. The stock options will have an exercise price equal to the fair market value of the common stock on the Effective Date. Provided that Executive is still employed with the Company on the following dates, the foregoing stock options will vest in three installments as follows: (i) Options for the purchase of
75,000 shares shall vest on one year anniversary of the Effective Date; and (ii) the remaining stock options shall vest as to 18,750 shares at the end of each quarter over the next two years, commencing with the first quarter following the first anniversary of the Effective Date. Upon the termination of your employment with the Company, except as provided herein, the unvested options will be forfeited and returned to the Company. In addition to the foregoing grant of options, Executive shall also be entitled to receive stock option grants under the Company's stock option plan commencing one year after the Effective Date in such amounts and upon such terms as shall be determined by the Board of Directors, in its sole discretion.

4.3 Incentive Compensation. Executive will be eligible to participate in the Company's annual incentive compensation program ("**Incentive Plan**") applicable to executive employees, as approved by the Board (the year in which the program is implemented, the **"Plan Year**"). The target potential amount payable to Executive under the Incentive Plan, if earned, shall be 35% of Executive's Base Salary earned during the applicable calendar year.
Compensation under the Incentive Plan ("**Incentive Compensation**") will be conditioned on the satisfaction of individual and Company objectives, as established in writing by the Company, and the condition that Executive is employed by Company on the Incentive Compensation payment date, which shall be on or before March 15th of the year following the Plan Year. The payment of any Incentive Compensation pursuant to this Section 4.3 shall be made in accordance with the normal payroll practices of the Company, less required deductions for state and federal withholding tax, social security and all other employment taxes and authorized payroll deductions.

4.4 Performance Review. The Company will periodically review Executive's performance on no less than an annual basis and may increase (but not decrease) Executive's salary or other compensation, as it deems appropriate in its sole and absolute discretion.

4.5 Customary Fringe Benefits. Executive understands and agrees that certain employee benefits may be provided to the Executive by the Company incident to the Executive's employment. Executive will be eligible for all customary and usual fringe benefits generally available to executive employees and all other employees of the Company subject to the terms and conditions of the Company's benefit plan documents. Executive understands and agrees that any employee benefits provided to the Executive by the Company incident to the Executive's employment (other than Base Salary, Incentive Compensation and any applicable Severance Payment) are provided solely at the discretion of the Company and may be modified, suspended or revoked at any time, without notice or the consent of the Executive, unless otherwise provided by law. Moreover, to the extent that these benefits are provided pursuant to policies or plan documents adopted by the Company, Executive acknowledges and agrees that these benefits shall be governed by the applicable employment policies or plan documents. The benefits to be provided to Executive shall include group health and dental insurance and participation in a 401- K plan.

4.6 Vacation Days. Executive will be eligible to receive 15 vacation days per year. Vacation time is an accrued benefit and will be paid out at termination in accordance with the Company's standard policies. In addition, Executive will be eligible to receive two floating holidays per year.

4.7 Business Expenses. Executive will be reimbursed for all reasonable, out- of-pocket business expenses incurred in the performance of Executive's duties on behalf of the Company, including travel-related expenses. To obtain reimbursement, expenses must be submitted promptly with appropriate supporting documentation in accordance with the Company's policies.

5. Confidentiality and Proprietary Agreement. Executive agrees to abide by the Company's Employee Proprietary Information and Inventions Agreement (the "**Non-Disclosure Agreement**"), which Executive has signed and is incorporated herein by reference.

6. Termination of Executive's Employment.

6.1 Termination for Cause by the Company. The Company may terminate Executive's employment immediately at any time and without notice for "Cause." For purposes of this Agreement, "Cause" shall mean (i) a material breach by Executive of this Agreement or the Non-Disclosure Agreement; (ii) the death of Executive or his disability resulting in his inability to perform his reasonable duties assigned hereunder for a period of 180 days; (iii) Executive's theft, dishonesty, or falsification of any Company documents or records; (iv) Executive's improper use or disclosure of the Company's confidential or proprietary information; or (v) Executive's conviction (including any plea of guilty or nolo contendere) of any criminal act which impairs Executive's ability to perform his duties hereunder or which in the Board's judgment may materially damage the business or reputation of the Company; provided, however, that prior to termination for cause arising under clause (i), Executive shall have a period of ten days after written notice from the Company to cure the event or grounds constituting such cause. Any notice of termination provided by Company to Executive under this Section 6.1 shall identify the events or conduct constituting the grounds for termination with sufficient specificity so as to enable Executive to take steps to cure, if curable, the same if such default is a material breach by Executive of this Agreement of the Non-Disclosure Agreement. In the event Executive's employment is terminated in accordance with this subsection 6.1, Executive shall be entitled to receive only the Base Salary and any earned Incentive Compensation (as defined in Section 4.3 above) then in effect, prorated to the date of termination. All other obligations of the Company to Executive pursuant to this Agreement will be automatically terminated and completely extinguished.

6.2 Termination Without Cause By The Company/Separation Package. The Company may terminate Executive's employment under this Agreement without Cause (as defined in Section 6.1 above) at any time on thirty (30) days' advance written notice to Executive. In the event of such termination, Executive will receive Executive's Base Salary through the date of termination and a prorated portion of any Incentive Compensation that was earned under Section 4.3 through the date of termination. Upon such termination without Cause, any then unvested stock options granted to Executive by the Company will become fully vested and Executive shall have six months from the date of termination within which to exercise his vested options. In addition, upon a termination of Executive's employment by the Company without Cause, Executive will be eligible to receive a "**Severance Payment**" equivalent to six months of Executive's then Base Salary, payable in full within thirty (30) days after termination, provided that Executive first satisfies the Severance Conditions. For purposes of this Agreement, the "**Severance Conditions**" are defined as (1) Executive's execution and non- revocation of a full general release, in the form attached hereto as Exhibit A, and such release has become effective in accordance with its terms prior to the 30th day following the termination date; and (2) Executive's reaffirmation of Executive's commitment to comply, and actual compliance, with all surviving provisions of this Agreement. Following payment of the Severance Payment, Base Salary, any Incentive Compensation and any benefits required to be paid in accordance with applicable benefit plans through the date of termination, all other obligations of the Company to Executive pursuant to this Agreement will be automatically terminated and completely extinguished.

6.3 Termination Upon a Change of Control. For purposes of this Agreement, "**Change of Control**" shall mean: (1) a merger or consolidation or the sale or exchange by the stockholders of the Company of capital stock of the Company, where the stockholders of the Company immediately before such transaction do not obtain or retain, directly or indirectly, at least a majority of the beneficial interest in the voting stock or other voting equity of the surviving or acquiring corporation or other surviving or acquiring entity, in substantially the same proportion as before such transaction; (2) any transaction or series of related transactions to which the Company is a party in which in excess of fifty percent (50%) of the Company's voting power is transferred; or (3) the sale or exchange of all or substantially all of the Company's assets (other than a sale or transfer to a subsidiary of the Company as defined in section 424(f) of the Internal Revenue Code of 1986, as amended (the "**Code**")), where the stockholders of the Company immediately before such sale or exchange do not obtain or retain, directly or indirectly, at least a majority of the beneficial interest in the voting stock or other voting equity of the corporation or other entity acquiring the Company's assets, in substantially the same proportion as before such transaction; provided, however, that a Change of Control shall not be deemed to have occurred pursuant to any transaction or series of transactions relating to a public or private financing or re-financing, the principal purpose of which is to raise money for the Company's working capital or capital expenditures and which does not result in a change in a majority of the members of the Board. If, within six (6) months immediately preceding a Change of Control or within twelve (12) months immediately following a Change of Control, the Executive's employment is terminated by the Company for any reason other than Cause, then the Executive shall be entitled to receive the Severance Payment and stock option vesting and exercisability set forth in Section 6.2, provided that Executive first satisfies the Severance Conditions. Following payment of the Severance Payment, Base Salary, any Incentive Compensation and any benefits required to be paid in accordance with applicable benefit plans through the date of termination, all other obligations of the Company to Executive pursuant to this Agreement will be automatically terminated and completely extinguished.

6.4 Resignation. Executive shall have the right to terminate this Agreement at any time, for any reason, by providing the Company with thirty (30) days written notice, provided, however, that subsequent to Executive's resignation, Executive shall be required to comply with all surviving provisions of this Agreement. Executive shall not be entitled to any Severance Pay. Executive will only be entitled to receive Executive's Base Salary earned up to the date of termination. Notwithstanding the foregoing, Executive has the right upon thirty (30) days written notice to the Company to terminate Executive's employment for "Good Reason" due to occurrence of any of the following: (i) a material adverse change in Executive's title, duties or responsibilities; (ii) any failure by the Company to pay, or any reduction by Company of, the base salary or any failure by Company to pay any Incentive Compensation to which Executive is entitled pursuant to Section 4; (iii) the Company creates a work environment designed to constructively terminate Executive or to unlawfully harass or retaliate against Executive; or (iv) a Change of Control occurs in which the Company is not the surviving entity and the surviving entity fails to offer Executive an executive position at a compensation level at least equal to Executive's then compensation level under this Agreement. In the event that Executive terminates his employment for Good Reason, then Executive shall be entitled to receive the Base Salary, any earned Incentive Compensation, Severance Payment and stock option vesting and exercisability as if Executive were terminated by the Company without Cause under Section 6.2, subject to Executive's compliance with all of the Severance Conditions.

6.5 Application of Section 409A.

6.5(a) Notwithstanding anything set forth in this Agreement to the contrary, no amount payable pursuant to this Agreement which constitutes a "deferral of compensation" within the meaning of the Treasury Regulations issued pursuant to Section 409A of the Code (the "**Section 409A Regulations**") shall be paid unless and until Executive has incurred a "separation from service" within the meaning of the Section 409A Regulations.

6.5(b) Company intends that income provided to Executive pursuant to this Agreement will not be subject to taxation under Section 409A of the Code. The provisions of this Agreement shall be interpreted and construed in favor of satisfying any applicable requirements of Section 409A of the Code. **However, Company does not guarantee any particular tax effect for income provided to Executive pursuant to this Agreement.** In any event, except for Company's responsibility to withhold applicable income and employment taxes from compensation paid or provided to Executive, Company shall not be responsible for the payment of any applicable taxes on compensation paid or provided to Executive pursuant to this Agreement.

6.5(c) Furthermore, to the extent that Executive is a "specified employee" within the meaning of the Section 409A Regulations as of the date of Executive's separation from service, no amount that constitutes a deferral of compensation which is payable on account of Executive's separation from service shall be paid to Executive before the date (the "**Delayed Payment Date**") which is first day of the seventh month after the date of Executive's separation from service or, if earlier, the date of Executive's death following such separation from service. All such amounts that would, but for this Section, become payable prior to the Delayed Payment Date will be accumulated and paid on the Delayed Payment Date.

6.5(d) Notwithstanding anything herein to the contrary, the reimbursement of expenses or in-kind benefits provided pursuant to this Agreement shall be subject to the following conditions: (i) the expenses eligible for reimbursement or in-kind benefits in one taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits in any other taxable year; (ii) the reimbursement of eligible expenses or in-kind benefits shall be made promptly, subject to Company's applicable policies, but in no event later than the end of the year after the year in which such expense was incurred; and (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit.

6.5(e) For purposes of Section 409A of the Code, the right to a series of installment payments under this Agreement shall be treated as a right to a series of separate payments.

7. Post-Employment Covenants.

7.1 Non-Competition. In consideration of the various covenants and obligations of the Company pursuant to this Agreement, for a period of [12 months] following the termination of the Executive's employment (the "Restrictive Period"), Executive shall not (either directly or indirectly as an employee, partner, officer, consultant, shareholder or otherwise of any corporation, governmental body, individual, partnership, limited liability company, trust or other entity) promote, distribute or sell any product or service or engage in any business activity that is the same as, substantially similar to or otherwise competitive with the business conducted by the Company and its subsidiaries as of the termination of Executive's employment, that business being the research and/or commercialization of tumor infiltrating lymphocytes (TIL). Executive understands and agrees that in view of the Company's worldwide business interests, this limitation similarly applies on a worldwide basis and that such worldwide limitation is reasonable and necessary.

7.2 Non-Solicitation. Executive agrees that during the Restrictive Period, Executive shall not:

(a) Solicit or in any manner encourage, either directly or indirectly, any employee or consultant of the Company to leave the Company for any reason; nor will he interfere in any other manner with the employment or business relationships at the time existing between the Company and its current or prospective employees or consultants; or

(b) Induce or attempt to induce any customer, supplier, distributor, licensee or other business affiliate of the Company to cease doing business with the Company or in any way interfere with the existing business relationship between any customer, supplier, distributor, licensee or other business affiliate and the Company.

7.3 Non-Disparagement. Executive agrees, at all times following the Effective Date, not to, directly or indirectly, on his behalf or on behalf of any other person or entity, (a) take any action which is intended, or could reasonably be expected, to harm, disparage, defame, slander, or lead to unwanted or unfavorable publicity for the Company, its subsidiaries or any of their respective affiliates, or its or their respective equityholders, directors, officers, members, managers, partners, employees, representatives or agents, or otherwise take any action which could reasonably be expected to detrimentally affect the reputation, image, relationships or public view of any such person or entity or (b) attempt to do any of the foregoing, or assist, entice, induce or encourage any other person or entity to do or attempt to do any activity which, were it done by Executive, would violate any provision of this Section 7.3; provided, however, that Executive shall not be prohibited by this Section 7.3 from (i) making truthful statements when required by order of a court or other body of competent jurisdiction or as required by law or (ii) solely within the context of seeking judicial enforcement of legal or contractual rights against a person or entity.

7.4 Remedies. Executive acknowledges that the duration of the Restrictive Period and the geographical area of the imposed restrictions are fair and reasonable and are reasonably required for the protection of the Company's business interests, including its goodwill. The Executive (a) acknowledges that his failure to comply with any requirement of this Section 7 this Agreement will cause the Company irreparable harm and that a remedy at law for such a failure would be an inadequate remedy; and (b) consents to the Company's obtaining from a court having jurisdiction specific performance, an injunction, a restraining order or any other equitable relief in order to enforce any such provision. The right to obtain such equitable relief shall be in addition to, and not in lieu of, any other remedy to which the Company is entitled under applicable law (including, but not limited to, monetary damages). If any court of competent jurisdiction shall at any time deem the term of this Agreement or any particular provision set forth in this Section 7 too lengthy or the territory too extensive, the other provisions of this Agreement shall nevertheless stand, the Restrictive Period herein shall be deemed to be the longest period permissible by law under the circumstances and the territory herein shall be deemed to comprise the largest territory permissible by law under the circumstances. The court in each case shall reduce the time period and/or territory to the permissible duration or size, and the Executive shall be bound by such reformed terms.

8. General Provisions.

8.1 Successors and Assigns. The rights and obligations of the Company under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of the Company. Executive shall not be entitled to assign any of Executive's rights or obligations under this Agreement.

8.2 Waiver. Either party's failure to enforce any provision of this Agreement shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Agreement.

8.3 Attorney's Fees. In the event of any dispute or claim relating to or arising out of Executive's employment relationship with Company, this Agreement, or the termination of Executive's employment with Company for any reason, the prevailing party in any such dispute or claim shall be entitled to recover its reasonable attorney's fees and costs.

8.4 Severability. In the event any provision of this Agreement is found to be unenforceable by an arbitrator or court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to allow enforceability of the provision as so limited, it being intended that the parties shall receive the benefit contemplated herein to the fullest extent permitted by law. If a deemed modification is not satisfactory in the judgment of such arbitrator or court, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

8.5 Interpretation; Construction. The headings set forth in this Agreement are for convenience only and shall not be used in interpreting this Agreement. Executive has participated in the negotiation of the terms of this Agreement. Furthermore, Executive acknowledges that Executive has had an opportunity to review and revise the Agreement and have it reviewed by legal counsel, if desired, and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

8.6 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the United States and the internal laws of the State of New York.

8.7 Notices. Any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (a) by personal delivery when delivered personally; (b) by overnight courier upon written verification of receipt; (c) by telecopy, facsimile transmission, or electronic transmission such as e-mail, upon acknowledgment of receipt of electronic transmission; or (d) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to the addresses set forth below each party's signature, or such other address as either party may specify in writing.

8.8 Entire Agreement. This Agreement constitutes the entire agreement between the Parties relating to this subject matter and supersedes all prior or simultaneous representations, discussions, negotiations, and agreements, whether written or oral. This Agreement may be amended or modified only with the written consent of Executive and the Company. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

[*Execution Page Follows*]

THE PARTIES TO THIS AGREEMENT HAVE READ THE FOREGOING AGREEMENT AND FULLY UNDERSTAND EACH AND EVERY PROVISION CONTAINED HEREIN. WHEREFORE, THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATES SHOWN BELOW.

EXECUTIVE:
/s/ Dr. Steven A. Fischkoff

Dr. Steven A. Fischkoff

COMPANY:

Lion Biotechnologies, Inc.

By: /s/ Elma Hawkins

Name: Elma Hawkins
Title: President & Chief Executive Officer
112 W. 34th Street 18th Floor
New York, NY 10120

Exhibit A
Form of Release and Waiver of Claims

In consideration for the severance payments and other benefits provided for in the Executive Employment Agreement, effective as of February 8, 2016 (the "Employment Agreement"), I, Steven Fischkoff, hereby furnish Lion Biotechnologies, Inc., a Nevada corporation (the "Company") with the following release and waiver (the "Release and Waiver").

In exchange for the consideration provided to me by the Employment Agreement, I hereby generally and completely release the Company and its officers, directors, employees, agents, attorneys, predecessors, successors, parent and subsidiary entities, insurers, affiliates, and assigns from any and all claims, liabilities and obligations, both known and unknown, that arise out of or are in any way related to events, acts, conduct, or omissions occurring prior to my signing this Release and Waiver. This general release includes, but is not limited to: (1) all claims arising out of or in any way related to my employment with the Company or the termination of that employment; (2) all claims related to my compensation or benefits from the Company, including, but not limited to, salary, bonuses, commissions, vacation pay, expense reimbursements, severance pay, fringe benefits, stock, stock options, or any other ownership interests in the Company; (3) all claims for breach of contract, wrongful termination, and breach of the implied covenant of good faith and fair dealing; (4) all tort claims, including, but not limited to, claims for fraud, defamation, emotional distress, and discharge in violation of public policy; and (5) all federal, state, and local statutory claims, including, but not limited to, claims for discrimination, harassment, retaliation, attorneys' fees, or other claims arising under the federal Civil Rights Act of 1964 (as amended), the federal Americans with Disabilities Act of 1990, and the federal Age Discrimination in Employment Act of 1967 (as amended) ("ADEA").

I acknowledge that, among other rights, I am waiving and releasing any rights I may have under ADEA and that this Release and Waiver is knowing and voluntary. I further acknowledge that I have been advised, as required by the Older Workers Benefit Protection Act, that: (a) the release and waiver granted herein does not relate to claims under the ADEA which may arise after this Release and Waiver is executed; (b) I should consult with an attorney prior to executing this Release and Waiver; (c) I have 21 days in which to consider this Release and Waiver (although I may choose voluntarily to execute this Release and Waiver earlier); (d) I have seven days following the execution of this Release and Waiver to revoke my consent to this Release and Waiver; and (e) this Release and Waiver shall not be effective until the eighth day after I execute this Release and Waiver and the revocation period has expired. Notwithstanding the foregoing, nothing contained in this Release and Waiver shall waive, release or otherwise diminish any claims that I might have at law or in equity for payment of severance or other benefits to which I am entitled under the terms of the Employment Agreement.

I acknowledge my continuing obligations under my Employee Proprietary Information and Inventions Agreement between myself and the Company (the "Confidentiality Agreement"). I understand and agree that my right to the severance pay I am receiving is in exchange for my agreement to the terms of this Release and Waiver and is contingent upon my continued compliance with my Confidentiality Agreement.

This Release and Waiver, including the Confidentiality Agreement, and the Employment Agreement constitute the complete, final and exclusive embodiment of the entire agreement between the Company and me with regard to the subject matter hereof. I am not relying on any promise or representation by the Company that is not expressly stated herein. This Release and Waiver may only be modified by a writing signed by both me and a duly authorized officer of the Company.

_____

Steven Fischkoff

Dated: _____

Exhibit 10.2

EXECUTIVE EMPLOYMENT AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT (the "**Agreement**") dated March 28, 2016 by and between **Lion Biotechnologies, Inc.**, a Nevada corporation (the "**Company**") and **Michael T. Lotze, MD** ("**Executive**") (either party individually, a "**Party**"; collectively, the "**Parties**").

WHEREAS, the Company desires to retain the services of Executive to serve as the Company's Chief Scientific Officer.

WHEREAS, the Parties desire to enter into this Agreement to set forth the terms and conditions of Executive's employment by the Company and to address certain matters related to Executive's employment with the Company;

WHEREAS, both the Company and the Executive have read and understood the terms and provisions set forth in this Agreement, and Executive acknowledges Executive has been afforded a reasonable opportunity to review this Agreement with Executive's legal counsel to the extent desired;

NOW, THEREFORE, in consideration of the foregoing and the mutual provisions contained herein, and for other good and valuable consideration, the Parties hereto agree as follows:

1. **Employment**. Effective March 28, 2016 (the "**Effective Date**"), the Company hereby employs Executive, and Executive hereby accepts such employment, upon the terms and conditions set forth herein.

2. **Duties**.

2.1 **Position.** Executive shall be employed by the Company in the position of Chief Scientific Officer. Executive shall have the duties and responsibilities consistent with the position of Chief Scientific Officer and such other duties and responsibilities assigned by the Company's Chief Executive Officer. Executive shall perform faithfully and diligently such duties as are reasonable and customary for Executive's position, as well as such other duties as the Chief Executive Officer shall reasonably assign from time to time. Executive shall provide his services hereunder from the Company's offices in Tampa, Florida and New York, New York, or from his home, as the Chief Executive Officer may hereafter direct or approve.

2.2 **Best Efforts/Full-Time**.

(a) Executive understands and agrees that Executive will faithfully devote Executive's best efforts and substantially all of his time during normal business hours to advance the interests of the Company. Executive will abide by all policies duly adopted by the Company, as well as all applicable federal, state and local laws, regulations or ordinances. Executive will act in a manner that Executive reasonably believes to be in the best interest of the Company at all times. Executive further understands and agrees that Executive has a fiduciary duty of loyalty to the Company to the extent provided by applicable law and that Executive will take no action which materially harms the business, business interests, or reputation of the Company.

(b) Executive agrees that Executive will not directly engage in competition with the Company at any time during the existence of the employment relationship between the Company and Executive.

(c) Executive agrees that, except as set forth in Sections 2.2(d) and 2.2(e) below, during the term of this Agreement, Executive shall work exclusively for the Company. Consequently, Executive agrees to not accept employment, of any kind, from any person or entity other than the Company, and to not perform duties or render services to any person or entity other than the Company.

(d) Notwithstanding Sections 2.2(a) and 2.2(c) above, the Parties agree that during the term of this Agreement, Executive may remain an employee of the University of Pittsburgh on sabbatical status. As a result of his continued employment with the University of Pittsburgh, the Parties agree that Executive may dedicate time to perform certain, limited administrative matters related to his participation on a thesis committee. In no case shall this work exceed 24 hours per month.

(e) Notwithstanding Sections 2.2(a) and 2.2(c) above, the Parties agree that during the term of this Agreement, Executive may provide certain consulting services to third parties with whom Executive contracted prior to the Effective Date that Executive has disclosed to the Company. In no case shall such services (i) create a conflict of interest or apparent conflict of interest with Executive's employment with the Company; (ii) violate Section 2.2(a)'s fiduciary obligations, Section 2.2(b) or Section 7 (it being understood that for the purposes of this subsection, the Restrictive Period shall include the Term of this Agreement); (iii) or exceed 10 hours per month.

3. **At-Will Employment**. Executive's employment with the Company will be "at- will." As a result, Executive is free to resign at any time, for any or no reason, as Executive deems appropriate. The Company will have a similar right and may terminate this Agreement and Executive's employment at any time, with or without cause.

4. **Term**. Unless terminated earlier in accordance with Section 3, Executive's employment shall be for a term (the "**Term**") commencing on the Effective Date through one year from the Effective Date and shall automatically renew for successive one (1) year terms thereafter unless either party delivers written notice of termination to the other at least 60 days prior to the end of the initial term or successive term, as the case may be.

5. **Compensation**.

5.1 **Base Salary.** As compensation for the performance of all duties to be performed by Executive hereunder, the Company shall pay to Executive a base salary of $400,000.00 per year, less required deductions for state and federal withholding tax, social security and all other employment taxes and authorized payroll deductions, payable on a prorated basis as it is earned, in accordance with the normal payroll practices of the Company (the "**Base Salary**").

5.2 **Stock Options**. As of the Effective Date, Executive shall receive stock options to purchase an aggregate of 225,000 shares of the Company's common stock. To the extent legally permitted, the stock options shall be incentive stock options. The stock options will have an exercise price equal to the fair market value of the common stock on the later of the Effective Date or the date of approval by the Company's Board of Directors. Provided that Executive is still employed with the Company on the following dates, 112,500 of the foregoing stock options will vest in three installments as follows: (i) twenty percent (20%) of the foregoing options, for the purchase of 22,500 shares, shall vest on one year anniversary of the Effective Date; (ii) thirty percent (30%) of the foregoing options, for the purchase of 33,750 shares, shall vest on two year anniversary of the Effective Date; and (iii) fifty percent (50%) of the foregoing options, for the purchase of 56,250 shares, shall vest on three year anniversary of the Effective Date. Of the remaining shares, 56,250 shares shall vest upon the successful enrollment of the Company's first patient in a registration trial. The remaining 56,250 shares shall vest upon the successful submission of a BLA to the FDA. Upon the termination of your employment with the Company, except as provided herein, the unvested options will be forfeited and returned to the Company.

In addition to the foregoing grant of options, as a performance incentive, Executive shall also be entitled to receive stock option grants under the Company's stock option plan in such amounts and upon such terms as shall be determined by the Board of Directors, in its sole discretion.

5.3 **Incentive Compensation**. Executive will be eligible to participate in the Company's annual incentive compensation program ("**Incentive Plan**") applicable to executive employees, as approved by the Board (the year in which the program is implemented, the **"Plan Year**"). The target potential amount payable to Executive under the Incentive Plan, if earned, shall be 37.5% of Base Salary.

Compensation under the Incentive Plan ("**Incentive Compensation**") will be conditioned on the satisfaction of individual and Company objectives, as established in writing by the Company, and the condition that Executive is employed by Company on the Incentive Compensation payment date, which shall be on or before March 15th of the year following the Plan Year. The payment of any Incentive Compensation pursuant to this Section 5.3 shall be made in accordance with the normal payroll practices of the Company, less required deductions for state and federal withholding tax, social security and all other employment taxes and authorized payroll deductions.

5.4 **Performance Review**. The Company will periodically review Executive's performance on no less than an annual basis and may increase (but not decrease) Executive's salary or other compensation, as it deems appropriate in its sole and absolute discretion.

5.5 **Customary Fringe Benefits**. Executive understands and agrees that certain employee benefits may be provided to the Executive by the Company incident to the Executive's employment. Executive will be eligible for all customary and usual fringe benefits generally available to executive employees and all other employees of the Company subject to the terms and conditions of the Company's benefit plan documents. Executive understands and agrees that any employee benefits provided to the Executive by the Company incident to the Executive's employment (other than Base Salary and Incentive Compensation) are provided solely at the discretion of the Company and may be modified, suspended or revoked at any time, without notice or the consent of the Executive, unless otherwise provided by law. Moreover, to the extent that these benefits are provided pursuant to policies or plan documents adopted by the Company, Executive acknowledges and agrees that these benefits shall be governed by the applicable employment policies or plan documents. The benefits to be provided to Executive shall include group health and dental insurance and participation in a 401- K plan.

5.6 **Vacation Days**. Executive will be eligible to receive 15 vacation days per year. Vacation time is an accrued benefit and will be paid out at termination in accordance with the Company's standard policies. In addition, Executive will be eligible to receive two floating holidays per year.

5.7 **Business Expenses**. Executive will be reimbursed for all reasonable, out- of-pocket business expenses incurred in the performance of Executive's duties on behalf of the Company, including travel-related expenses. To obtain reimbursement, expenses must be submitted promptly with appropriate supporting documentation in accordance with the Company's policies.

6. **Confidentiality and Proprietary Agreement**. Executive agrees to abide by the Company's Employee Proprietary Information and Inventions Agreement (the "**Non-Disclosure Agreement**"), which Executive has signed and is incorporated herein by reference.

7. **Post-Employment Covenants**.

7.1 **Non-Competition**. In consideration of the various covenants and obligations of the Company pursuant to this Agreement, for a period of 12 months following the termination of the Executive's employment (the "Restrictive Period"), Executive shall not (either directly or indirectly as an employee, partner, officer, consultant, shareholder or otherwise of any corporation, governmental body, individual, partnership, limited liability company, trust or other entity) promote, distribute or sell any product or service or engage in any business activity that is the same as, substantially similar to or otherwise competitive with the business conducted by the Company and its subsidiaries as of the termination of Executive's employment, that business being the research and/or commercialization of tumor infiltrating lymphocytes (TIL). Executive understands and agrees that in view of the Company's worldwide business interests, this limitation similarly applies on a worldwide basis and that such worldwide limitation is reasonable and necessary.

7.2 **Non-Solicitation**. Executive agrees that during the Restrictive Period, Executive shall not:

(a) Solicit or in any manner encourage, either directly or indirectly, any employee or consultant of the Company to leave the Company for any reason; nor will he interfere in any other manner with the employment or business relationships at the time existing between the Company and its current or prospective employees or consultants; or

(b) Induce or attempt to induce any customer, supplier, distributor, licensee or other business affiliate of the Company to cease doing business with the Company or in any way interfere with the existing business relationship between any customer, supplier, distributor, licensee or other business affiliate and the Company.

7.3 **Non-Disparagement**. Executive agrees, at all times following the Effective Date, not to, directly or indirectly, on his behalf or on behalf of any other person or entity, (a) take any action which is intended, or could reasonably be expected, to harm, disparage, defame, slander, or lead to unwanted or unfavorable publicity for the Company, its subsidiaries or any of their respective affiliates, or its or their respective equityholders, directors, officers, members, managers, partners, employees, representatives or agents, or otherwise take any action which could reasonably be expected to detrimentally affect the reputation, image, relationships or public view of any such person or entity or (b) attempt to do any of the foregoing, or assist, entice, induce or encourage any other person or entity to do or attempt to do any activity which, were it done by Executive, would violate any provision of this Section 7.3; provided, however, that Executive shall not be prohibited by this Section 7.3 from (i) making truthful statements when required by order of a court or other body of competent jurisdiction or as required by law or (ii) solely within the context of seeking judicial enforcement of legal or contractual rights against a person or entity.

7.4 **Remedies**. Executive acknowledges that the duration of the Restrictive Period and the geographical area of the imposed restrictions are fair and reasonable and are reasonably required for the protection of the Company's business interests, including its goodwill. The Executive (a) acknowledges that his failure to comply with any requirement of this Section 7 this Agreement will cause the Company irreparable harm and that a remedy at law for such a failure would be an inadequate remedy; and (b) consents to the Company's obtaining from a court having jurisdiction specific performance, an injunction, a restraining order or any other equitable relief in order to enforce any such provision. The right to obtain such equitable relief shall be in addition to, and not in lieu of, any other remedy to which the Company is entitled under applicable law (including, but not limited to, monetary damages). If any court of competent jurisdiction shall at any time deem the term of this Agreement or any particular provision set forth in this Section 7 too lengthy or the territory too extensive, the other provisions of this Agreement shall nevertheless stand, the Restrictive Period herein shall be deemed to be the longest period permissible by law under the circumstances and the territory herein shall be deemed to comprise the largest territory permissible by law under the circumstances. The court in each case shall reduce the time period and/or territory to the permissible duration or size, and the Executive shall be bound by such reformed terms.

8. **General Provisions**.

8.1 **Representations.** Executive represents and warrants that the terms of this Agreement and Executive's performance of the duties contemplated by this Agreement do not and will not conflict with any of Executive's obligations to any third parties including, but not limited to, previous or current employers or entities to whom Executive has provided or is currently providing consulting services. Executive agrees not to disclose or use any trade secrets or other proprietary or confidential information of any other employer, person, firm, corporation, institution or other third party in connection with his employment by the Company or the duties contemplated by this Agreement. If Executive is an employee of or consultant or advisor to any other person, firm, corporation, institution or other third party, Executive represents and warrants that Executive is permitted to enter into this Agreement and provide services to the Company and that such actions will not violate any agreement, contract or understanding.

8.2 **Successors and Assigns**. The rights and obligations of the Company under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of the Company. Executive shall not be entitled to assign any of Executive's rights or obligations under this Agreement.

8.3 **Waiver**. Either party's failure to enforce any provision of this Agreement shall not in any way be construed as a waiver of any such provision, or prevent that party thereafter from enforcing each and every other provision of this Agreement.

8.4 **Attorney's Fees**. In the event of any dispute or claim relating to or arising out of Executive's employment relationship with Company, this Agreement, or the termination of Executive's employment with Company for any reason, the prevailing party in any such dispute or claim shall be entitled to recover its reasonable attorney's fees and costs.

8.5 **Severability**. In the event any provision of this Agreement is found to be unenforceable by an arbitrator or court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to allow enforceability of the provision as so limited, it being intended that the parties shall receive the benefit contemplated herein to the fullest extent permitted by law. If a deemed modification is not satisfactory in the judgment of such arbitrator or court, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

8.6 **Interpretation; Construction**. The headings set forth in this Agreement are for convenience only and shall not be used in interpreting this Agreement. Executive has participated in the negotiation of the terms of this Agreement. Furthermore, Executive acknowledges that Executive has had an opportunity to review and revise the Agreement and have it reviewed by legal counsel, if desired, and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

8.7 **Governing Law**. This Agreement will be governed by and construed in accordance with the laws of the United States and the internal laws of the State of New York.

8.8 **Notices**. Any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (a) by personal delivery when delivered personally; (b) by overnight courier upon written verification of receipt; (c) by telecopy, facsimile transmission, or electronic transmission such as e-mail, upon acknowledgment of receipt of electronic transmission; or (d) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to the addresses set forth below each party's signature, or such other address as either party may specify in writing.

8.9 **Entire Agreement**. This Agreement constitutes the entire agreement between the Parties relating to this subject matter and supersedes all prior or simultaneous representations, discussions, negotiations, and agreements, whether written or oral. This Agreement may be amended or modified only with the written consent of Executive and the Company. No oral waiver, amendment or modification will be effective under any circumstances whatsoever.

[*Execution Page Follows*]

THE PARTIES TO THIS AGREEMENT HAVE READ THE FOREGOING AGREEMENT AND FULLY UNDERSTAND EACH AND EVERY PROVISION CONTAINED HEREIN. WHEREFORE, THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATES SHOWN BELOW.

EXECUTIVE:

By: /s/ Dr. Michael T. Lotze

Dr. Michael T. Lotze

COMPANY:

Lion Biotechnologies, Inc.

By: /s/ Elma Hawkins

Name: Elma Hawkins
Title: President & Chief Executive Officer
112 W. 34th Street, 18th Floor
New York, NY 10120

Exhibit 31.1

CERTIFICATION

I, Elma Hawkins, Chief Executive Officer of Lion Biotechnologies, Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Lion Biotechnologies, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 9, 2016

By: /s/ Elma Hawkins
Elma Hawkins
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Molly Henderson, Chief Financial Officer of Lion Biotechnologies, Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Lion Biotechnologies, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 9, 2016

By: /s/ Molly Henderson
Molly Henderson
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Lion Biotechnologies, Inc. (the "Company") for the quarter ended March 31, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Elma Hawkins, Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 9, 2016

By: /s/ Elma Hawkins
Elma Hawkins
Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Lion Biotechnologies, Inc. (the "Company") for the quarter ended March 31, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Molly Henderson, Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 9, 2016

By: /s/ Molly Henderson
Molly Henderson
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.