

Kentucky First Federal Bancorp
Form NT 10-K
September 29, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 12b-25
NOTIFICATION OF LATE FILING

SEC FILE NUMBER: 0-51176
CUSIP NUMBER: 491292 108

(Check One): Form 10-K Form 20-F Form 11-K Form 10-Q Form 10-D Form N-SAR Form N-CSR

For Period Ended: June 30, 2010
 Transition Report on Form 10-K Transition Report on Form 10-Q
 Transition Report on Form 20-F Transition Report on Form N-SAR
 Transition Report on Form 11-K

For the Transition Period Ended:

Read Instruction (on back page) Before Preparing Form. Please Print or Type.

Nothing in this form shall be construed to imply that the Commission has verified any information contained herein.

If the notification relates to a portion of the filing checked above, identify the Item(s) to which the notification relates:

PART I - REGISTRANT INFORMATION

Full name of Registrant	Kentucky First Federal Bancorp
Former Name if Applicable	
Address of Principal Executive Office (Street and Number)	479 Main Street
City, State and Zip Code	Hazard, Kentucky 41702

PART II - RULE 12b-25 (b) AND (c)

If the subject report could not be filed without unreasonable effort or expense and the registrant seeks relief pursuant to Rule 12b-25(b), the following should be completed. (Check box if appropriate).

- (a) The reasons described in reasonable detail in Part III of this form could not be eliminated without unreasonable effort or expense;
- x (b)

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The subject annual report, semi-annual report, transition report on Form 10-K, Form 20-F, Form 11-K, Form N-SAR or Form N-CSR, or portion thereof, will be filed on or before the fifteenth calendar day following the prescribed due date; or the subject quarterly report or transition report on Form 10-Q or subject distribution report on Form 10-D, or portion thereof, will be filed on or before the fifth calendar day following the prescribed due date; and

- (c) The accountant's statement or other exhibit required by Rule 12b-25(c) has been attached if applicable.
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PART III - NARRATIVE

State below in reasonable detail why the Form 10-K, 20-F, 11-K, 10-Q, 10-D, N-SAR, N-CSR, or the transition report or portion thereof, could not be filed within the prescribed time period.
(Attach extra sheets if needed.)

Kentucky First Federal Bancorp. (“we,” “our” or the “Company”) has determined that it is unable to file its Annual Report Form 10-K for the year ended June 30, 2010 (the “Form 10-K”) with the U.S. Securities and Exchange Commission (the “SEC”) by the September 28, 2010 due date.

We are not able to file a timely Form 10-K because we have not completed our consolidated financial statements and related disclosures for the year ended June 30, 2010. As described under Part IV below, we will be restating our financial statements as of and for the year ended June 30, 2009, and we cannot file the Form 10-K for the year ended June 30, 2010 until we have filed our amended Form 10-K for the year ended June 30, 2009.

PART IV — OTHER INFORMATION

(1) Name and telephone number of person to contact in regard to this notification

Tony D. Whitaker (606) 436-3860
(Name) (Telephone Number)

(2) Have all other periodic reports required under Section 13 or 15(d) of the Securities Exchange Act of 1934 or Section 30 of the Investment Company Act of 1940 during the preceding 12 months or for such shorter period that the registrant was required to file such report(s) been filed? If answer is no, identify report(s). Yes No

(3) Is it anticipated that any significant change in results of operations from the corresponding period for the last fiscal year will be reflected by the earnings statements to be included in the subject report or portion thereof? Yes No

If so: attach an explanation of the anticipated change, both narratively and quantitatively, and, if appropriate, state the reasons why a reasonable estimate of the results cannot be made.

The Company will be amending its Annual Report on Form 10-K for the period ended June 30, 2009, which was originally filed with the Securities and Exchange Commission on September 28, 2009, to amend its audited financial statements to reflect certain adjustments to its accrued and deferred income tax liability.

The restatement of the financial statements will incorporate the following adjustments:

- The reduction of deferred federal income taxes payable at July 1, 2007 with a \$224,000 increase to retained earnings reflecting lower actual levels of deferred tax liabilities;
- The decrease of the Company's net earnings for the fiscal year ended June 30, 2009, from \$808,000 to \$728,000, as a result of additional income tax due on a dividend distribution from one of the Company's bank subsidiaries, which exceeded the Bank's accumulated earnings and profits and, as a consequence, resulted in a distribution of the bank's thrift reserve; and
- The decrease of the Company's basic and diluted earnings per share from \$0.11 to \$0.10 for the fiscal year ended June 30, 2009.

The financial statements also will be restated to revise the reported liability associated with deferred income taxes. As a result of the restatement, the following financial statement line items will be adjusted (in thousands):

Consolidated Statement of Financial Condition at June 30, 2009:	Restated	Previously Reported	Effect of Change
Accrued federal income taxes	\$ 147	\$ 67	\$ 80
Deferred federal income taxes	1,115	1,339	(224)
Total liabilities	182,363	182,507	(144)
Retained earnings	32,074	31,930	144
Total shareholders' equity	58,538	58,394	144

(In thousands, except share data)

Consolidated Statement of Earnings for the year ended June 30, 2009:	Restated	Previously Reported	Effect of Change
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Federal income taxes, current	\$	1,116	\$	1,036	\$	80
Total federal income taxes		1,183		1,103		80
Net earnings		728		808		(80)
Earnings per share, basic and diluted		0.10		0.11		(0.01)

(In thousands)

Consolidated Statement of Comprehensive Income for the year ended June 30, 2009:	Restated	Previously Reported	Effect of Change
Net earnings	\$ 728	\$ 808	\$ (80)
Comprehensive income	802	882	(80)

(In thousands)

Consolidated Statement of Cash Flows for the year ended June 30, 2009:	Restated	Previously Reported	Effect of Change
Cash Flows from operating activities:			
Net earnings for the year	\$ 728	\$ 808	\$ (80)
Federal income taxes, current	626	546	80

KENTUCKY FIRST FEDERAL BANCORP
(Name of Registrant as Specified in Charter)

has caused this notification to be signed on its behalf by the undersigned thereunto duly authorized.

Date September 29, 2010

By: /s/ Tony D. Whitaker
Tony D. Whitaker
Chief Executive Officer

INSTRUCTIONS: The form may be signed by an executive officer of the registrant or by any other duly authorized representative. The name and title of the person signing the form shall be typed or printed beneath the signature. If the statement is signed on behalf of the registrant by an authorized representative (other than an executive officer), evidence of the representative's authority to sign on behalf of the registrant shall be filed with the form.

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- Conduct the annual review of the performance of the Board, the Committees of the Board and Company's executive management;
 - Recommend to the Board director nominees for each committee; and
 - Develop and recommend to the Board any policies or processes it may deem appropriate for security holders to send communications to the Board.

Our directors play a critical role in guiding our strategic direction and oversee the management of our Company. Board candidates are considered based on various criteria, such as their broad based business and professional skills and experiences, a global business and social perspective, concern for long term interests of stockholders, and personal integrity and judgment. In addition, directors must have available time to devote to Board activities and to enhance their knowledge of the industry. Accordingly, we seek to attract and retain highly qualified directors who have sufficient time to attend to their substantial duties and responsibilities to our Company. Recent developments in corporate governance and financial reporting have resulted in an increased demand for such highly qualified and productive public company directors.

Our Board of Directors will consider the recommendations of stockholders regarding potential director candidates. In order for stockholder recommendations regarding possible director candidates to be considered by our Board of Directors:

- such recommendations must be provided to the Board of Directors c/o Brent L. Larson, Neoprobe Corporation, 425 Metro Place North, Suite 300, Dublin, Ohio 43017, in writing at least 120 days prior to the date of the Company's proxy statement released to stockholders in connection with the previous year's annual meeting;
- the nominating stockholder must meet the eligibility requirements to submit a valid stockholder proposal under Rule 14a-8 of the Securities Exchange Act of 1934, as amended;
- the stockholder must describe the qualifications, attributes, skills or other qualities of the recommended director candidate; and
 - the stockholder must follow the procedures set forth in Article III, Section 2 of our By-Laws.

Audit Committee

The Audit Committee of the Board of Directors selects our independent registered public accounting firm with whom the Audit Committee reviews the scope of audit and non-audit assignments and related fees, the accounting principles that we use in financial reporting, and the internal controls over financial reporting identified by the independent registered public accounting firm as a basis for designing their audit procedures. The members of our Audit Committee are: Fred B. Miller (Chairman), Reuven Avital, Gordon A. Troup, and J. Frank Whitley, Jr., each of whom is “independent” under the Nasdaq rules referenced above. The Board of Directors has determined that Fred B. Miller meets the requirements of an “audit committee financial expert” as set forth in Section 407(d)(5) of Regulation S-K promulgated by the SEC. The Audit Committee held five meetings in the fiscal year ended December 31, 2008. The Board of Directors adopted a written Amended and Restated Audit Committee Charter on April 30, 2004. A copy of the Amended and Restated Audit Committee Charter is posted on the Company’s website at www.neoprobe.com.

REPORT OF AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

The Audit Committee consults with our Chief Financial Officer and other key members of our management and with our independent registered public accounting firm with regard to their year-end audit plan, quarterly reviews in accordance with Statement on Auditing Standards No. 100, the auditor's report of audit, and the accompanying management letter, if any; and consults with our Chief Financial Officer and other key members of our management and with our independent registered public accounting firm with regard to the adequacy of our internal accounting controls.

In fulfilling its responsibilities, the Audit Committee selected BDO Seidman, LLP ("BDO Seidman") as our independent registered public accounting firm for purposes of auditing our financial statements for the fiscal year ended December 31, 2008. The Audit Committee has reviewed and discussed with management and BDO Seidman our audited financial statements; the matters required to be discussed by Statement on Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1 AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T; received the written disclosures and the letter from BDO Seidman required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm's communications with the Audit Committee concerning independence (Rule 3526), and has discussed with BDO Seidman their independence from our Company.

Based on the reviews and discussions with management and BDO Seidman, the Audit Committee recommended to the Board of Directors that our audited consolidated financial statements be included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2008, filed with the Securities and Exchange Commission.

The Board of Directors evaluated the independence of each member of the Audit Committee. As part of its evaluation, the Board of Directors determined, in the exercise of its business judgment, that each of Messrs. Avital, Miller, Troup and Whitley is independent under Rule 4350(d) of the Nasdaq Stock Market and is financially literate.

Based upon its work and the information received in the inquiries outlined above, the Audit Committee is satisfied that its responsibilities under the charter for the period ended December 31, 2008, were met and that our financial reporting and audit processes are functioning effectively.

Submitted by the Audit
Committee
of the Board of Directors:

Fred B. Miller, Chairman
Reuven Avital
Gordon A. Troup
J. Frank Whitley, Jr.

Stockholder Communications

Stockholders may send communications to our Board of Directors, or to individual directors, by mailing communications in writing to c/o Brent L. Larson, Neoprobe Corporation, 425 Metro Place North, Suite 300, Dublin, Ohio 43017.

Executive Officers

In addition to Mr. Bupp, the following individuals are executive officers of our Company and serve in the position(s) indicated below:

Name	Age	Position
Anthony K. Blair	48	Vice President, Manufacturing Operations
Rodger A. Brown	58	Vice President, Regulatory Affairs and Quality Assurance
Frederick O. Cope, Ph.D.	62	Vice President of Pharmaceutical Research and Clinical Development
Brent L. Larson	46	Vice President, Finance; Chief Financial Officer; Treasurer and Secretary
Douglas L. Rash	65	Vice President, Marketing

Anthony K. Blair has served as Vice President, Manufacturing Operations of our Company since July 2004. Prior to joining our Company, he served as Vice President, Manufacturing Operations of Enpath Medical, Lead Technologies Division, formerly known as Biomec Cardiovascular, Inc. from 2002 to June 2004. From 1998 through 2001, Mr. Blair led the manufacturing efforts at Astro Instrumentation, a medical device contract manufacturer. From 1989 to 1998 at Ciba Corning Diagnostics (now Bayer), Mr. Blair held managerial positions including Operations Manager, Materials Manager, Purchasing Manager and Production Supervisor. From 1985 to 1989, Mr. Blair was employed by Bailey Controls and held various positions in purchasing and industrial engineering. Mr. Blair started his career at Fisher Body, a division of General Motors, in production supervision. Mr. Blair has a B.B.A. degree in management and labor relations from Cleveland State University.

Rodger A. Brown has served as Vice President, Regulatory Affairs and Quality Assurance of our Company since November 2000. From July 1998 through November 2000, Mr. Brown served as our Director, Regulatory Affairs and Quality Assurance. Prior to joining our Company, Mr. Brown served as Director of Operations for Biocore Medical Technologies, Inc. from April 1997 to April 1998. From 1981 through 1996, Mr. Brown served as Director, Regulatory Affairs/Quality Assurance for E for M Corporation, a subsidiary of Marquette Electronics, Inc.

Frederick O. Cope, Ph.D. has served as Vice President, Pharmaceutical Research and Clinical Development of our Company since February 2009. Prior to accepting this position with the Company, Dr. Cope served as the Assistant Director for Research and Head of Program Research Development for The Ohio State University Comprehensive Cancer Center, The James Cancer Hospital and The Richard J. Solove Research Institute, from April 2001 to February 2009. Dr. Cope is also active in a number of professional and scientific organizations such as serving as an Ad Hoc Member of the FDA Scientific Advisory Panel and a member of Emory University's Scientific Advisory Board. Dr. Cope received his BSc from the Delaware Valley College of Science and Agriculture, his MS from Millersville University of Pennsylvania and his Ph.D. from the University of Connecticut.

Brent L. Larson has served as Vice President, Finance, Chief Financial Officer and Treasurer of our Company since February 1999 and as Secretary since 2003. Prior to that, he served as our Vice President, Finance from July 1998 to

January 1999 and as Controller from July 1996 to June 1998. Before joining our Company, Mr. Larson was employed by Price Waterhouse LLP. Mr. Larson has a B.B.A. degree in accounting from Iowa State University of Science and Technology and is a Certified Public Accountant.

Douglas L. Rash has served as Vice President, Marketing of our Company since January 2005. Prior to that, Mr. Rash was Neoprobe's Director, Marketing and Product Management from March to December 2004. Before joining our Company, Mr. Rash served as Vice President and General Manager of MTRE North America, Inc. from 2000 to 2003. From 1994 to 2000, Mr. Rash served as Vice President and General Manager (Medical Division) of Cincinnati Sub-Zero, Inc. From 1993 to 1994, Mr. Rash was Executive Vice President of Everest & Jennings International, Ltd. During his nine-year career at Gaymar Industries, Inc. from 1984 to 1993, Mr. Rash held positions as Vice President and General Manager (Clinicare Division) and Vice President, Marketing and Sales (Acute Care Division). From 1976 to 1984, Mr. Rash held management positions at various divisions of British Oxygen Corp. Mr. Rash has a B.S. degree in Business Administration with a minor in Chemistry from Wisconsin State University.

**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS
AND MANAGEMENT**

The following table sets forth, as of April 30, 2009, certain information with respect to the beneficial ownership of shares of our common stock by: (i) each person known to us to be the beneficial owner of more than 5% of our outstanding shares of common stock, (ii) each director or nominee for director of our Company, (iii) each of the Named Executives (see "Executive Compensation – Summary Compensation Table"), and (iv) our directors and executive officers as a group.

Beneficial Owner	Number of Shares Beneficially Owned (*)		Percent of Class (**)
Carl J. Aschinger, Jr.	292,145	(a)	(n)
Reuven Avital	404,256	(b)	(n)
Anthony K. Blair	247,097	(c)	(n)
Kirby I. Bland, M.D.	195,000	(d)	(n)
David C. Bupp	6,970,309	(e)	8.9%
Frederick O. Cope, Ph.D.	-	(f)	(n)
Owen E. Johnson, M.D.	50,000	(g)	(n)
Brent L. Larson	687,414	(h)	(n)
Fred B. Miller	376,000	(i)	(n)
Gordon A. Troup	15,000	(j)	(n)
J. Frank Whitley, Jr.	291,500	(k)	(n)
All directors and officers as a group (13 persons)	10,071,377	(l)(o)	12.5%
Platinum Montaur Life Sciences, LLC	3,780,500	(m)	4.99%

(*) Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission which generally attribute beneficial ownership of securities to persons who possess sole or shared voting power and/or investment power with respect to those securities. Unless otherwise indicated, voting and investment power are exercised solely by the person named above or shared with members of such person's household.

(**) Percent of class is calculated on the basis of the number of shares outstanding on April 30, 2009, plus the number of shares the person has the right to acquire within 60 days of April 30, 2009.

(a) This amount includes 140,000 shares issuable upon exercise of options which are exercisable within 60 days and 1,145 shares held in a trust account for which Mr. Aschinger is the custodian, but does not include 10,000 shares issuable upon exercise of options which are not exercisable within 60 days.

(b)

This amount consists of 139,256 shares of our common stock owned by Mittai Investments Ltd. (Mittai), an investment fund under the management and control of Mr. Avital, and 185,000 shares issuable upon exercise of options which are exercisable within 60 days but does not include 10,000 shares issuable upon exercise of options which are not exercisable within 60 days. The shares held by Mittai were obtained through a distribution of 2,785,123 shares previously held by Ma' Aragim Enterprise Ltd. (Ma' Aragim), another investment fund under the management and control of Mr. Avital. On February 28, 2005, Ma' Aragim distributed its shares to the partners in the fund. Mr. Avital is not an affiliate of the other fund to which the remaining 2,645,867 shares were distributed. Of the 2,785,123 shares previously held by Ma' Aragim, 2,286,712 were acquired in exchange for surrendering its shares in Cardiosonix Ltd. on December 31, 2001, in connection with our acquisition of Cardiosonix, and 498,411 were acquired by Ma' Aragim based on the satisfaction of certain developmental milestones on December 30, 2002, associated with our acquisition of Cardiosonix.

- (c) This amount includes 163,334 shares issuable upon exercise of options which are exercisable within 60 days and 33,763 shares in Mr. Blair's account in the 401(k) Plan, but it does not include 50,000 shares of unvested restricted stock and 81,667 shares issuable upon exercise of options which are not exercisable within 60 days.
- (d) This amount includes 170,000 shares issuable upon exercise of options which are exercisable within 60 days but does not include 10,000 shares issuable upon exercise of options which are not exercisable within 60 days.
- (e) This amount includes 1,676,667 shares issuable upon exercise of options which are exercisable within 60 days, 770,000 warrants which are exercisable within 60 days, a promissory note convertible into 3,225,806 shares of our common stock, 203,746 shares that are held by Mr. Bupp's wife for which he disclaims beneficial ownership and 119,390 shares in Mr. Bupp's account in the 401(k) Plan, but it does not include 700,000 shares of unvested restricted stock and 233,333 shares issuable upon exercise of options which are not exercisable within 60 days.
- (f) This amount does not include 100,000 shares of unvested restricted stock and 50,000 shares issuable upon exercise of options which are not exercisable within 60 days.
- (g) This amount includes 30,000 shares issuable upon exercise of options which are exercisable within 60 days but does not include 10,000 shares issuable upon exercise of options which are not exercisable within 60 days.
- (h) This amount includes 500,000 shares issuable upon exercise of options which are exercisable within 60 days and 87,414 shares in Mr. Larson's account in the 401(k) Plan, but it does not include 50,000 shares of unvested restricted stock and 75,000 shares issuable upon exercise of options which are not exercisable within 60 days.
- (i) This amount includes 245,000 shares issuable upon exercise of options which are exercisable within 60 days and 81,000 shares held by Mr. Miller's wife for which he disclaims beneficial ownership, but does not include 10,000 shares issuable upon the exercise of options which are not exercisable within 60 days.
- (j) This amount does not include 20,000 shares issuable upon exercise of options which are not exercisable within 60 days.
- (k) This amount includes 260,000 shares issuable upon exercise of options which are exercisable within 60 days, but does not include 10,000 shares issuable upon exercise of options which are not exercisable within 60 days.
- (l) This amount includes 3,900,000 shares issuable upon exercise of options which are exercisable within 60 days, 770,000 warrants which are exercisable within 60 days, a promissory note convertible into 3,225,806 shares of our common stock, 285,891 shares that are held by spouses of our Directors and Officers or in trusts for which they are custodian but for which they disclaim beneficial ownership and 253,224 shares held in the 401(k) Plan on behalf of certain officers, but it does not include 920,000 shares of unvested restricted stock and 605,000 shares issuable upon the exercise of options which are not exercisable within 60 days. The Company itself is the trustee of the Neoprobe 401(k) Plan and may, as such, share investment power over common stock held in such plan. The trustee disclaims any beneficial ownership of shares held by the 401(k) Plan. The 401(k) Plan holds an aggregate total of 575,350 shares of common stock.
- (m) Platinum-Montaur Life Sciences, LLC (Montaur), 152 W. 57th Street, 54th Floor, New York, NY 10019, holds promissory notes in the principal amount of \$10,000,000 convertible into 21,794,871 shares of our common stock, warrants to purchase 20,333,333 shares of our common stock, and 3,000 shares of Series A 8% Cumulative Convertible Preferred Stock convertible into 6,000,000 shares of our common stock. Each of our convertible promissory notes held by Montaur, the warrants held by Montaur, and the Certificate of Designations, Voting Powers, Preferences, Limitations, Restrictions, and Relative Rights of Series A 8% Cumulative Convertible Preferred Stock provide that those instruments are not convertible or exercisable if, after such conversion or exercise, Montaur would beneficially own more than 4.99% of our outstanding common stock. This provision may be waived by Montaur giving us at least 61 days prior written notice. Similarly, each of our convertible promissory notes and warrants held by Montaur provides that those instruments are not convertible or exercisable if, after such conversion or exercise, Montaur would beneficially own more than 9.99% of our outstanding common stock, subject to Montaur's right to request a waiver of this restriction in writing at least 61 days prior to the effective date of that waiver.
- (n) Less than one percent.
- (o) The address of all directors and executive offices is c/o Neoprobe Corporation, 425 Metro Place North, Suite 300, Dublin, Ohio 43017-1367.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth certain information concerning the annual and long-term compensation of our Chief Executive Officer and our other two highest paid executive officers during the last fiscal year (the Named Executives) for the last two fiscal years.

Name and Principal Position	Year	(a) Salary	(a) Bonus	(b) Option Awards	(c) Restricted Stock Awards	(d) All Other Compensation	Total Compensation
Anthony K. Blair Vice President, Manufacturing Operations	2008	\$ 150,000	\$ 15,700	\$ 10,827	\$ 8,975	\$ 4,676	\$ 190,178
	2007	134,000	19,125	8,550	-	3,887	165,562
David C. Bupp President and Chief Executive Officer	2008	\$ 325,000	\$ 40,000	\$ 43,875	\$ 53,850	\$ 7,208	\$ 469,933
	2007	305,000	60,000	51,808	-	8,398	425,026
Brent L. Larson Vice President, Finance and Chief Financial Officer	2008	\$ 177,000	\$ 15,000	\$ 9,677	\$ 8,975	\$ 5,442	\$ 216,094
	2007	170,000	19,125	10,184	-	4,896	204,205

- (a) Bonuses, if any, have been disclosed for the year in which they were earned (i.e., the year to which the service relates).
- (b) Amount represents the dollar amount recognized for financial statement reporting purposes in accordance with SFAS No. 123(R). Assumptions made in the valuation of stock option awards are disclosed in Note 1(o) of the Notes to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2008, filed with the Securities and Exchange Commission March 30, 2009, a copy of which has been delivered to stockholders with this proxy statement.
- (c) Amount represents the dollar amount recognized for financial statement reporting purposes in accordance with SFAS No. 123(R). Assumptions made in the valuation of restricted stock awards are disclosed in Note 1(o) of the Notes to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2008, filed with the Securities and Exchange Commission March 30, 2009, a copy of which has been delivered to stockholders with this proxy statement.
- (d) Amount represents life insurance premiums paid during the fiscal year ended December 31, 2008, for the benefit of the Named Executives and matching contributions under the Neoprobe Corporation 401(k) Plan (the Plan). Eligible employees may make voluntary contributions and we may, but are not obligated to, make matching contributions based on 40 percent of the employee's contribution, up to 5 percent of the employee's salary. Employee contributions are invested in mutual funds administered by an independent plan administrator. Company contributions, if any, are made in the form of shares of common stock. The Plan qualifies under section 401 of the Internal Revenue Code, which provides that employee and company contributions and income earned on contributions are not taxable to the employee until withdrawn from the Plan, and that we may deduct our contributions when made.

Outstanding Equity Awards at Fiscal Year End

The following table presents certain information concerning outstanding equity awards held by the Named Executive Officers as of December 31, 2008.

Name	Option Awards					Stock Awards		Note
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price	Option Expiration Date	Note	Number of Unearned Shares	Market Value of Unearned Shares (o)	
Anthony K. Blair	50,000	-	\$ 0.60	7/1/2014	(h)	50,000	\$ 28,500	(p)
	40,000	-	\$ 0.39	12/10/2014	(j)			
	30,000	-	\$ 0.26	12/27/2015	(k)			
	20,000	10,000	\$ 0.27	12/15/2016	(l)			
	6,667	13,333	\$ 0.35	7/27/2017	(m)			
	-	50,000	\$ 0.362	1/3/2018	(n)			
David C. Bupp	180,000	-	\$ 0.50	1/4/2010	(b)	300,000	\$ 171,000	(p)
	180,000	-	\$ 0.41	1/3/2011	(c)			
	180,000	-	\$ 0.42	1/7/2012	(d)			
	100,000	-	\$ 0.14	1/15/2013	(e)			
	70,000	-	\$ 0.13	2/15/2013	(f)			
	150,000	-	\$ 0.30	1/7/2014	(g)			
	150,000	-	\$ 0.49	7/28/2014	(i)			
	200,000	-	\$ 0.39	12/10/2014	(j)			
	200,000	-	\$ 0.26	12/27/2015	(k)			
	200,000	100,000	\$ 0.27	12/15/2016	(l)			
	-	200,000	\$ 0.362	1/3/2018	(n)			
Brent L. Larson	25,000	-	\$ 1.25	2/11/2009	(a)	50,000	\$ 28,500	(p)
	60,000	-	\$ 0.50	1/4/2010	(b)			
	60,000	-	\$ 0.41	1/3/2011	(c)			
	50,000	-	\$ 0.42	1/7/2012	(d)			
	40,000	-	\$ 0.14	1/15/2013	(e)			
	30,000	-	\$ 0.13	2/15/2013	(f)			
	70,000	-	\$ 0.30	1/7/2014	(g)			
	50,000	-	\$ 0.49	7/28/2014	(i)			
	50,000	-	\$ 0.39	12/10/2014	(j)			
	40,000	-	\$ 0.26	12/27/2015	(k)			
	33,333	16,667	\$ 0.27	12/15/2016	(l)			
	-	50,000	\$ 0.362	1/3/2018	(n)			

(a) Options were granted 2/11/1999 and vested as to one-third immediately and on each of the first two anniversaries of the date of grant.

(b) Options were granted 1/4/2000 and vested as to one-third on each of the first three anniversaries of the date of grant.

(c)

- Options were granted 1/3/2001 and vested as to one-third on each of the first three anniversaries of the date of grant.
- (d) Options were granted 1/7/2002 and vested as to one-third on each of the first three anniversaries of the date of grant.
- (e) Options were granted 1/15/2003 and vested as to one-third on each of the first three anniversaries of the date of grant.
- (f) Options were granted 2/15/2003 and vested as to one-third on each of the first three anniversaries of the date of grant.
- (g) Options were granted 1/7/2004 and vested as to one-third on each of the first three anniversaries of the date of grant.
- (h) Options were granted 7/1/2004 and vested as to one-third on each of the first three anniversaries of the date of grant.
- (i) Options were granted 7/28/2004 and vested as to one-third on each of the first three anniversaries of the date of grant.
- (j) Options were granted 12/10/2004 and vested as to one-third on each of the first three anniversaries of the date of grant.
- (k) Options were granted 12/27/2005 and vested as to one-third immediately and on each of the first two anniversaries of the date of grant.
- (l) Options were granted 12/15/2006 and vest as to one-third on each of the first three anniversaries of the date of grant.
- (m) Options were granted 7/27/2007 and vest as to one-third on each of the first three anniversaries of the date of grant.
- (n) Options were granted 1/3/2008 and vest as to one-third on each of the first three anniversaries of the date of grant.
- (o) Estimated by reference to the closing market price of the Company's common stock on December 31, 2008, pursuant to Instruction 3 to Item 402(p)(2) of Regulation S-K. The closing price of the Company's common stock on December 31, 2008, was \$0.57.
- (p) Restricted shares granted January 3, 2008. Pursuant to the terms of Restricted Stock Agreements between the Company and each grantee, the restricted shares will vest upon the approval by the United States Food and Drug Administration of the New Drug Application for Lymphoseek. If the employment of a grantee with the Company is terminated before all of the restricted shares have vested, then pursuant to the terms of the Restricted Stock Agreements all restricted shares that have not vested at the effective date of such grantee's termination shall immediately be forfeited by the grantee. Pursuant to its authority under Section 3.2 of the Restricted Stock Agreements the Company's Compensation, Nominating and Governance Committee eliminated the forfeiture provision in Section 3.2(b) of the Restricted Stock Agreements effective January 1, 2009, which provision effected the forfeiture of the shares if the vesting event did not occur before June 30, 2010.

Equity Compensation Plan Information

The following table sets forth additional information as of December 31, 2008, concerning shares of our common stock that may be issued upon the exercise of options and other rights under our existing equity compensation plans and arrangements, divided between plans approved by our stockholders and plans or arrangements not submitted to our stockholders for approval. The information includes the number of shares covered by, and the weighted average exercise price of, outstanding options and other rights and the number of shares remaining available for future grants excluding the shares to be issued upon exercise of outstanding options, warrants, and other rights.

	(a) Number of Securities to be Issued Upon Exercise of Outstanding Options Warrants and Rights	(b) Weighted-Average Exercise Price of Outstanding Options Warrants and Rights	(c) Number of Securities Remaining Available for Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity compensation plans approved by security holders	5,619,500	\$ 0.40	2,370,500
Equity compensation plans not approved by security holders	-	-	-
Total	5,619,500	\$ 0.40	2,370,500

Employment and Other Compensation Agreements

Our Named Executive Officers are employed under employment agreements of varying terms as outlined below. In addition, the Compensation, Nominating and Governance Committee of the Board of Directors will, on an annual basis, review the performance of our Company and may pay bonuses to our executives as the Compensation, Nominating and Governance Committee deems appropriate, in its discretion. Such review and bonus will be consistent with any bonus plan adopted by the Compensation, Nominating and Governance Committee that covers Mr. Bupp as well as the executive officers of our Company generally.

David C. Bupp

Employment Agreement. David C. Bupp is employed under a 12-month employment agreement effective January 1, 2009. The employment agreement provides for an annual base salary of \$335,000.

The Board of Directors and/or the Compensation, Nominating and Governance (CNG) Committee will, on an annual basis, review the performance of our Company and of Mr. Bupp and may pay a bonus to Mr. Bupp as it deems appropriate, in its discretion. Such review and bonus will be consistent with any bonus plan adopted by the CNG Committee that covers the executive officers of the Company generally. For the calendar year ending December 31, 2009, the CNG Committee has determined that the maximum bonus payment to Mr. Bupp will be \$90,000.

If a change in control occurs with respect to our Company and the employment of Mr. Bupp is concurrently or subsequently terminated:

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by the Company without cause (cause is defined as any willful breach of a material duty by Mr. Bupp in the course of his employment or willful and continued neglect of his duty as an employee);

- by the expiration of the term of Mr. Bupp's employment agreement; or
- by the resignation of Mr. Bupp because his title, authority, responsibilities, salary, bonus opportunities or benefits have materially diminished, a material adverse change in his working conditions has occurred, his services are no longer required in light of the Company's business plan, or we breach the agreement;

then, Mr. Bupp will be paid a severance payment of \$762,500 (less amounts paid as Mr. Bupp's salary and benefits that continue for the remaining term of the agreement if his employment is terminated without cause).

For purposes of Mr. Bupp's employment agreement, a change in control includes:

- the acquisition, directly or indirectly, by a person (other than our Company, an employee benefit plan established by the Board of Directors, or a participant in a transaction approved by the Board of Directors for the principal purpose of raising additional capital) of beneficial ownership of 30% or more of our securities with voting power in the next meeting of holders of voting securities to elect the directors;
- a majority of the Directors elected at any meeting of the holders of our voting securities are persons who were not nominated by our then current Board of Directors or an authorized committee thereof;
- our stockholders approve a merger or consolidation of our Company with another person, other than a merger or consolidation in which the holders of our voting securities outstanding immediately before such merger or consolidation continue to hold voting securities in the surviving or resulting corporation (in the same relative proportions to each other as existed before such event) comprising 80% or more of the voting power for all purposes of the surviving or resulting corporation; or
- our stockholders approve a transfer of substantially all of our assets to another person other than a transfer to a transferee, 80% or more of the voting power of which is owned or controlled by us or by the holders of our voting securities outstanding immediately before such transfer in the same relative proportions to each other as existed before such event.

Mr. Bupp will be paid a severance amount of \$406,250 if his employment is terminated at the end of his employment agreement or without cause. If Mr. Bupp is terminated without cause, his benefits will continue for the longer of 36 months or the full term of the agreement.

Compensation of Other Named Executives

Our Executive Officers are employed under employment agreements of varying terms as outlined below. In addition, the CNG Committee will, on an annual basis, review the performance of our Company and may pay bonuses to our executives as it deems appropriate, in its discretion. Such review and bonus will be consistent with any bonus plan adopted by the CNG Committee that covers Mr. Bupp as well as the executive officers of the Company generally.

Anthony K. Blair

Employment Agreement. Anthony Blair is employed under a 24-month employment agreement effective January 1, 2009. The employment agreement provides for an annual base salary of \$157,000.

The CNG Committee will, on an annual basis, review the performance of our Company and of Mr. Blair and may pay a bonus to Mr. Blair as it deems appropriate, in its discretion. Such review and bonus will be consistent with any bonus plan adopted by the CNG Committee that covers the executive officers of the Company generally.

If a change in control occurs with respect to our Company and the employment of Mr. Blair is concurrently or subsequently terminated:

- by the Company without cause (cause is defined as any willful breach of a material duty by Mr. Blair in the course of his employment or willful and continued neglect of his duty as an employee);

- by the expiration of the term of Mr. Blair's employment agreement; or
- by the resignation of Mr. Blair because his title, authority, responsibilities, salary, bonus opportunities or benefits have materially diminished, a material adverse change in his working conditions has occurred, his services are no longer required in light of the Company's business plan, or we breach the agreement;

then, Mr. Blair will be paid a severance payment of \$310,000 and will continue his benefits for the longer of 12 months or the remaining term of his employment agreement.

For purposes of Mr. Blair's employment agreement, a change in control includes:

- the acquisition, directly or indirectly, by a person (other than our Company, an employee benefit plan established by the Board of Directors, or a participant in a transaction approved by the Board of Directors for the principal purpose of raising additional capital) of beneficial ownership of 30% or more of our securities with voting power in the next meeting of holders of voting securities to elect the directors;
- a majority of the directors elected at any meeting of the holders of our voting securities are persons who were not nominated by our then current Board of Directors or an authorized committee thereof;
- our stockholders approve a merger or consolidation of our Company with another person, other than a merger or consolidation in which the holders of our voting securities outstanding immediately before such merger or consolidation continue to hold voting securities in the surviving or resulting corporation (in the same relative proportions to each other as existed before such event) comprising 80% or more of the voting power for all purposes of the surviving or resulting corporation; or
 - our stockholders approve a transfer of substantially all of the assets of our Company to another person other than a transfer to a transferee, 80% or more of the voting power of which is owned or controlled by us or by the holders of our voting securities outstanding immediately before such transfer in the same relative proportions to each other as existed before such event.

Mr. Blair will be paid a severance amount of \$157,000 if his employment is terminated at the end of his employment agreement or without cause. If Mr. Blair is terminated without cause, his benefits will continue for the longer of 12 months or the full term of the agreement.

Brent L. Larson

Employment Agreement. Brent Larson is employed under a 24-month employment agreement effective January 1, 2009. The employment agreement provides for an annual base salary of \$184,000.

The terms of Mr. Larson's employment agreement are substantially identical to Mr. Blair's employment agreement, except that:

- If a change in control occurs with respect to our Company and the employment of Mr. Larson is concurrently or subsequently terminated, then Mr. Larson will be paid a severance payment of \$360,000; and
- Mr. Larson will be paid a severance amount of \$184,000 if his employment is terminated at the end of his employment agreement or without cause.

The CNG Committee will, on an annual basis, review the performance of our Company and of Mr. Larson and may pay a bonus to Mr. Larson as it deems appropriate, in its discretion. Such review and bonus will be consistent with any bonus plan adopted by the CNG Committee that covers the executive officers of the Company generally.

Compensation of Directors

Each non-employee director received an annual cash retainer of \$20,000 and earned an additional \$1,500 per board meeting attended in person or \$500 per telephonic board meeting during the fiscal year ended December 31,

2008. The Chairmen of the Company's Board of Directors and Audit Committee each received an additional annual retainer of \$10,000 for their services in those capacities during 2008. Members of committees of the Company's Board of Directors earned an additional \$500 per committee meeting attended in person or telephonically. We also reimbursed non-employee directors for travel expenses for meetings attended during 2008.

Each non-employee director also received 10,000 options to purchase common stock as a part of the Company's annual stock incentive grants, in accordance with the provisions of the Neoprobe Corporation Second Amended and Restated 2002 Stock Incentive Plan. The options granted to purchase common stock vested on the first anniversary of the date of grant and have an exercise price of \$0.362, the closing price of the Company's common stock as reported on the OTC Bulletin Board regulated quotation service on January 3, 2008, the date of grant. The aggregate number of option awards outstanding at March 15, 2009, for each Director is set forth in the footnotes to the beneficial ownership table provided beginning on page 8 of this proxy statement. Directors who are also officers or employees of Neoprobe do not receive any compensation for their services as directors.

The following table sets forth certain information concerning the compensation of non-employee Directors for the fiscal year ended December 31, 2008.

Name	(a) Fees Earned or Paid in Cash	(b),(c) Option Awards	Total Compensation
Carl J. Aschinger, Jr.	\$ 37,500	\$ 3,046	\$ 40,546
Reuven Avital	28,000	3,046	31,046
Kirby I. Bland, M.D.	27,500	3,046	30,546
Owen E. Johnson, M.D.	27,500	6,011	33,511
Fred B. Miller	38,000	3,046	41,046
Gordon A. Troup	13,000	2,020	15,202
J. Frank Whitley, Jr.	28,000	3,046	31,046

(a) Amount represents fees earned during the fiscal year ended December 31, 2008 (i.e., the year to which the service relates). Quarterly retainers and meeting attendance fees are paid during the quarter following the quarter in which they are earned.

(b) Amount represents the dollar amount recognized for financial statement reporting purposes in accordance with SFAS No. 123(R). Assumptions made in the valuation of stock option awards are disclosed in Note 1(o) of the Notes to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2008, filed with the Securities and Exchange Commission March 30, 2009, a copy of which has been delivered to stockholders with this proxy statement.

(c) At December 31, 2008, the non-employee directors held an aggregate of 1,057,500 options to purchase shares of common stock of the Company.

CODE OF BUSINESS CONDUCT AND ETHICS

We have adopted a code of business conduct and ethics that applies to our directors, officers and all employees. The code of business conduct and ethics is posted on our website at www.neoprobe.com. The code of business conduct and ethics may be also obtained free of charge by writing to Neoprobe Corporation, Attn: Chief Financial Officer, 425 Metro Place North, Suite 300, Dublin, Ohio 43017.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

In July 2007, David C. Bupp, our President and CEO, and certain members of his family (the Bupp Investors) purchased a \$1.0 million convertible note (the "Bupp Note") and warrants, pursuant to the terms of the 10% Convertible Note Purchase Agreement, dated July 3, 2007, between the Company and David C. Bupp, Cynthia B. Gochoco and Walter H. Bupp (the "Bupp Purchase Agreement"). The note bore interest at 10% per annum, had an original term of one year and is repayable in whole or in part with no penalty. The note is convertible into shares of our common

stock at a price of \$0.31 per share, a 25% premium to the average closing market price of our common stock for the 5 days preceding the closing of the transaction. As part of this transaction, we issued the Bupp Investors 500,000 Series V warrants to purchase our common stock at an exercise price of \$0.31 per share, expiring in July 2012. In connection with the Securities Purchase Agreement, dated as of December 26, 2007, by and between the Company and Platinum-Montaur Life Sciences, LLC (the "Montaur Purchase Agreement"), the term of the \$1.0 million Bupp Note was extended to December 27, 2011, one day following the maturity date of the 10% Series A and B Convertible Senior Secured Promissory Notes issued to Platinum-Montaur Life Sciences, LLC ("Montaur") pursuant to the Montaur Purchase Agreement. In consideration for the Bupp Investors' agreement to extend the term of the Bupp Note pursuant to an amendment to the Bupp Purchase Agreement, dated December 26, 2007, we agreed to provide security for the obligations evidenced by the Amended 10% Convertible Note in the principal amount of \$1,000,000, due December 31, 2011, executed by Neoprobe in favor of the Bupp Investors (the "Amended Bupp Note"), under the terms of a Security Agreement, dated December 26, 2007, by and between Neoprobe and the Bupp Investors (the "Bupp Security Agreement"). This security interest is subordinate to the security interest of Montaur. As further consideration for extending the term of the Bupp Note, we issued the Bupp Investors an additional 500,000 Series V warrants to purchase our common stock at an exercise price of \$0.32 per share, expiring in December 2012. The largest amount of principal outstanding under the Amended Bupp Note during the fiscal year ended December 31, 2008, was \$1 million, and the Amended Bupp Note had an outstanding principal amount of \$1 million on December 31, 2008. We made interest payments due under the Amended Bupp Note totaling \$100,000 but did not make any payments of principal during the fiscal year ended December 31, 2008.

It is our practice and policy to comply with all applicable laws, rules and regulations regarding related-person transactions, including the Sarbanes-Oxley Act of 2002. A related person is an executive officer, director or more than 5% stockholder of Neoprobe, including any immediate family members, and any entity owned or controlled by such persons. Our Board of Directors (excluding any interested director) is charged with reviewing and approving all related-person transactions, and a special committee of our Board of Directors is established to negotiate the terms of such transactions. In considering related-person transactions, our Board of Directors takes into account all relevant available facts and circumstances.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Act of 1934 requires our officers and directors, and greater than 10% stockholders, to file reports of ownership and changes in ownership of our securities with the Securities and Exchange Commission. Copies of the reports are required by SEC regulation to be furnished to us. Based on our review of these reports and written representations from reporting persons, we believe that all reporting persons complied with all filing requirements during the fiscal year ended December 31, 2008.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

BDO Seidman, LLP (“BDO Seidman”) was engaged as the Company’s independent registered public accounting firm on September 27, 2005, and has audited the Company’s financial statements for each of the three fiscal years in the period ended December 31, 2008. The Audit Committee has selected BDO Seidman as the Company’s independent registered public accounting firm for purposes of auditing our financial statements for the current fiscal year ending December 31, 2009. A representative of BDO Seidman is expected to be present at the Annual Meeting. The representative will have an opportunity to make a statement if he so desires and is expected to be available to respond to appropriate questions of stockholders.

FEES OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Audit Fees. The aggregate fees billed and expected to be billed for professional services rendered by BDO Seidman for the audit of the Company’s annual consolidated financial statements for the 2008 fiscal year, the reviews of the financial statements included in the Company’s Quarterly Reports on Form 10-Q for the 2008 fiscal year, and consents related to the Company’s registration statements filed during the 2008 fiscal year were \$178,790 (including direct engagement expenses). The aggregate fees billed for professional services rendered by BDO Seidman for the audit of the Company’s annual consolidated financial statements for the 2007 fiscal year, the reviews of the financial statements included in the Company’s Quarterly Reports on Form 10-QSB for the 2007 fiscal year, and consents related to the Company’s registration statements filed during the 2007 fiscal year were \$158,259 (including direct engagement expenses).

Audit-Related Fees. The aggregate fees billed by BDO Seidman for audit-related services for the 2007 fiscal year were \$2,385. No fees were billed by BDO Seidman for audit-related services for the 2008 fiscal year.

Tax Fees. The aggregate fees billed by BDO Seidman for tax-related services for the 2007 fiscal year were \$500. No fees were billed by BDO Seidman for tax-related services for the 2008 fiscal year.

All Other Fees. No fees were billed by BDO Seidman for services other than the audit, audit-related and tax services for the 2008 or 2007 fiscal years.

Pre-approval Policy. The Audit Committee is required to pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent auditor or other registered public accounting firm, subject to the de minimis exceptions for non-audit services described in Section 10A(i)(1)(B) of the Securities Exchange Act of 1934 that are approved by the Audit Committee prior to completion of the audit.

COST OF SOLICITATION OF PROXIES

We will pay the cost of this solicitation. We may request persons holding shares in their names for others to forward soliciting materials to their principals to obtain authorization for the execution of proxies, and we will reimburse such persons for their expenses in so doing.

GOVERNANCE MATERIALS AVAILABLE ON OUR WEBSITE

Stockholders may find the following information on the Company's website at www.neoprobe.com.

- Neoprobe's Code of Business Conduct and Ethics
- Management and Board of Director biographies
- Information regarding securities transactions by directors and officers
- Standing Committee Charters – Audit Committee, and Compensation and Nominating and Governance Committee

STOCKHOLDER PROPOSALS

A stockholder proposal intended for inclusion in the proxy statement and form of proxy for the Annual Meeting of Stockholders of the Company to be held in 2010 must be received by the Company before January 14, 2010, at its executive offices, Attention: Brent Larson. Any stockholder proposal submitted outside the processes of Rule 14a-8 under the Securities Exchange Act of 1934 for presentation at our 2010 Annual Meeting will be considered untimely for purposes of Rule 14a-4 and 14a-5 if notice thereof is received by us after March 30, 2010.

A stockholder who wishes to nominate a candidate for election to the Board of Directors must follow the procedures set forth in Article III, Section 2 of our By-Laws. A copy of these procedures is available upon request from the Company at 425 Metro Place North, Suite 300, Dublin, Ohio 43017-1367, Attention: Brent Larson. In order for a stockholder to nominate a candidate for the Board of Directors election at the 2010 Annual Meeting, notice of the nomination must be delivered to the Company's executive offices, Attention: Brent Larson, before January 14, 2010.

OTHER BUSINESS

The Board of Directors does not intend to present, and has no knowledge that others will present, any other business at the Annual Meeting. If, however, any other matters are properly brought before the Annual Meeting, it is intended that the persons named in the enclosed proxy will vote the shares represented thereby in accordance with their best judgment.

INCORPORATION BY REFERENCE

We have incorporated a description of certain assumptions made in the valuation of: (1) stock option awards and restricted stock awards disclosed in the executive compensation table on page 10; and (2) stock option awards

disclosed in the directors compensation table on page 15, of this proxy statement by reference to Note 1(o) of the Notes to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2008, a copy of which has been delivered to stockholders with this proxy statement.