As filed with the Securities and Exchange Commission on June 11, 1998

Registration Statement No. 333-

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM S-3

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

T CELL SCIENCES, INC.
(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

13-3191702
(I.R.S. Employer
Identification Number)

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119 Fourth Avenue
Needham, Massachusetts 02194
(781) 433-0771
(Address, including zip code and telephone number, including area code, of Registrant's principal executive offices)

Una S. Ryan, Ph.D
President and Chief Executive Officer
T Cell Sciences, Inc.
119 Fourth Avenue
Needham, Massachusetts 02194
(781) 433-0771
(Name, address, including zip code, and telephone number, including area code of agent for service)

Copies of all communications should be sent to:

Stuart M. Cable, Esq.
Goodwin, Procter & Hoar LLP
Exchange Place
Boston, Massachusetts 02109-2881
(617) 570-1000

Approximate date of commencement of proposed sale to the public:
From time to time after the effective date of this Registration Statement.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. [ ]

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. [X]

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

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

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	Amount to Be Registered	Proposed Maximum Offering Price Per Share(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
Common Stock, $.001 par value	1,968,494 Shares	$ 2.9375	$ 5,782,452	$ 1,706

(1) This estimate is made pursuant to Rule 457(c) and (h) under the Securities Act of 1933, as amended (the "Securities Act"), solely for the purposes of determining the registration fee and is based upon the price at which outstanding securities were issued or may be exercised and the market value of outstanding shares of Common Stock, $.001 par value per share of T Cell Sciences, Inc. on June 9, 1998, utilizing the average of the high and low sale prices reported on the Nasdaq National Market System for that date.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.

PROSPECTUS

T CELL SCIENCES, INC.

1,968,494 Shares of Common Stock

This Prospectus relates to 1,968,494 shares (the "Shares") of common stock, par value $.001 per share (the "Common Stock"), of T Cell Sciences, Inc. (the "Company") to be sold by certain stockholders of the Company (the "Selling Stockholders") from time to time. The Selling Stockholders may sell the Shares from time to time in transactions on the Nasdaq National Market System, in negotiated transactions or by a combination of these methods, at fixed prices that may be changed, at market prices at the time of sale, at prices related to market prices or at negotiated prices. The Selling Stockholders may effect these transactions by selling the Shares to or through broker-dealers, who may receive compensation in the form of discounts or commissions from the Selling Stockholders or from the purchasers of the Shares for whom the broker-dealers may act as an agent or to whom they may sell as a principal, or both. See "Selling Stockholders" and "Plan of Distribution." The Common Stock of the Company is traded under the symbol "TCEL" on the Nasdaq National Market. On June 9, 1998, the reported closing price for the Common Stock on the Nasdaq National Market was $2.875.

The Company will not receive any of the proceeds from the sale of the Shares. The Company has agreed to bear all of the expenses in connection with the registration and sale of the Shares (other than underwriting discounts and selling commissions).

See "Risk Factors" beginning on page 3 for a discussion of certain special factors which should be considered by prospective investors in purchasing the shares of Common Stock offered hereby.

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

The date of this Prospectus is June __, 1998

AVAILABLE INFORMATION

The Company has filed with the Securities and Exchange Commission (the "Commission"), Washington, D.C. 20549, a Registration Statement (which term shall include all amendments, exhibits and schedules thereto) on Form S-3 under the Securities Act of 1933 (the "Securities Act") with respect to the shares of Common Stock offered hereby. This Prospectus, which constitutes a part of the Registration Statement, does not contain all of the information set forth in the Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the Commission, to which Registration Statement reference is hereby made. For further information with respect to the Company and the securities covered hereby, reference is made to the Registration Statement and to the exhibits thereto filed as a part thereof. The Registration Statement and the exhibits thereto may be inspected and copied at prescribed rates at the public reference facilities maintained by the Commission at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549 and at the regional offices of the Commission located at Seven World Trade Center, 13th Floor, New York, New York 10048 and 500 West Madison Street, Suite 1400, Chicago, Illinois 60661, and copies may be obtained at the prescribed rates from the Public Reference section of the Commission at its principal office in Washington, D.C. The Commission also maintains a Web site at http://www.sec.gov containing reports, proxy and information statements and other information regarding registrants, including the Company, that file electronically with the Commission. Statements made in this Prospectus as to the contents of any contract, agreement or other document referred to are not necessarily complete. With respect to each such contract, agreement or other document filed as an exhibit to the Registration Statement, reference is made to the exhibit for a more complete description of the matter involved, and each such statement shall be deemed qualified in its entirety by such reference.

The Company is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and, in accordance therewith, files proxy statements, reports and other information with the Commission. Such proxy statements, reports and other information filed by the Company may be inspected and copied at prescribed rates at the aforementioned public reference facilities maintained by the Commission. The Common Stock of the Company is traded on the Nasdaq National Market System. Reports and other information concerning the Company may be inspected at the National Association of Securities Dealers, Inc., 1735 K Street, N.W., Washington, D.C. 20006.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents filed by the Company with the Commission are incorporated in, and made a part of, this Prospectus by reference as of their respective dates: (1) the Company's Annual Report on Form 10-K and 10-K/A for the fiscal year ended December 31, 1997; (2) the Company's Quarterly Report on Form 10-Q and 10-Q/A for the quarter ended March 31, 1998; (3) the definitive Proxy Statement of the Company for the Annual Meeting of Stockholders held May 12, 1998; and (4) the description of the Common Stock of the Company contained in the Company's Registration Statement on Form 8-A, filed on September 22, 1986, including all amendments and reports updating such description.

Each document filed subsequent to the date of this Prospectus pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act prior to the termination of this offering shall be deemed to be incorporated by reference in this Prospectus and shall be a part hereof from the date of filing of such document. The Company will furnish without charge to each person, including any beneficial owner, to whom this Prospectus is delivered, upon request, a copy of any or all of the documents that have been incorporated by reference to the Registration Statement of which this Prospectus is a part, other than exhibits to such documents. Requests should be addressed to: 119 Fourth Avenue, Needham, Massachusetts 02194, Attention: Corporate Secretary (telephone number (781) 433-0771).

This Prospectus, including the information incorporated herein by reference, contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. The Company's actual results could differ materially from those projected in the forward-looking statements set forth in this Prospectus including the information incorporated herein by reference. Investors should carefully consider the discussion of risk factors below, in addition to the other information contained in this Prospectus, in connection with an investment in the Shares offered hereby.

RISK FACTORS

In addition to the other information contained or incorporated by reference in this Prospectus, the following factors should be considered carefully in evaluating an investment in the shares of Common Stock offered by this Prospectus.

THE PURCHASE OF THE SHARES OF COMMON STOCK ENTAILS VERY SIGNIFICANT RISKS INCLUDING THE FOLLOWING FACTORS WHICH SHOULD BE CONSIDERED CAREFULLY IN EVALUATING AN INVESTMENT IN THE SHARES OF COMMON STOCK OFFERED BY THIS MEMORANDUM:

Early Stage of Product Development; Uncertainties Relating to Clinical Trials and Product Development. All of the Company's therapeutic product candidates are in various stages of research and development and no revenues have been generated from the commercialization of these products. There can be no assurance that any of the Company's therapeutic product candidates which are under development will prove to be safe or effective in clinical trials, will be approved by regulatory authorities, can be manufactured at acceptable cost with appropriate quality, or can be successfully marketed. The Company's therapeutic product candidates will require substantial additional development, including in the areas of preclinical and clinical testing, regulatory approvals and manufacturing processes prior to their commercialization. The Company has performed only limited preclinical and clinical testing of certain of its product candidates and technologies under development. Preclinical studies of product candidates may not predict and do not ensure safety or efficacy in humans and are not necessarily indicative of the results that may be achieved in clinical trials with humans. There can be no assurance that unacceptable side effects will not be discovered during preclinical and clinical testing of the Company's potential products. Even after being cleared by the United States Food and Drug Administration (the "FDA") or the regulatory authorities of other countries, a product may later be shown to be unsafe or to not have its purported effect, thereby preventing its widespread use or requiring its withdrawal from the market. The rate of completion of the Company's clinical trials depends on, among other factors, the rate of patient enrollment. Patient enrollment is a function of many factors, including the size of the patient population, the nature of the clinical protocol, the proximity of patients to clinical sites and the eligibility criteria for the trial. Delays in planned patient enrollment may result in increased costs, delays or termination of clinical trials, which could have a material adverse effect on the Company's business, financial condition and results of operations. In addition, the Company may rely on third parties to assist it in overseeing and monitoring clinical trials, which may result in delays in completing, or failure to complete, clinical trials if such third parties fail to perform under their agreements with the Company or fail to meet regulatory standards in the performance of their obligations under such agreements.

History of Losses; Uncertainty of Future Profitability. The Company has incurred operating losses since its inception and had accumulated net losses of approximately $71.7 million as of March 31, 1998. The continued development of the Company's products will require the commitment of substantial resources to conduct research and preclinical and clinical programs, to establish manufacturing capabilities and sales and marketing capabilities, and to establish additional quality control, regulatory and administrative capabilities. The Company may incur substantial operating losses over the next several years as its product development programs and clinical testing expand. The amount of net losses and the time required by the Company to reach sustained profitability are highly uncertain and to achieve profitability the Company must, among other things, successfully complete development of its products, obtain regulatory approvals and establish manufacturing and

marketing capabilities. There can be no assurance that the Company will be able to achieve profitability at all or on a sustained basis.

Need for Additional Funds. The Company has funded its operations and capital expenditures to date primarily through equity financing, strategic alliances with commercial partners, and sales of reagent and diagnostic products. As of March 31, 1998, the Company has raised net proceeds of approximately $80.3 million through equity financings. The Company anticipates that it will need to raise substantial additional funds, through additional equity or debt financings, research and development financings, collaborative relationships or otherwise, prior to the commercialization of its products. There can be no assurance that any such additional funding will be available to the Company or, if available, that it will be on reasonable terms. Any such additional funding may result in significant dilution to existing stockholders. If adequate funds are not available, the Company may be required to significantly curtail its research and development programs or obtain funds through arrangements with collaborative partners that may require the Company to relinquish certain material rights to its products.

Dependence on Third Parties for Clinical Supplies. The Company is dependent on sourcing from a third party manufacturer for suitable quantities of sCR1 and other materials necessary for clinical trials in addition to those currently being conducted by the Company. The inability to have suitable quality and quantities of material produced in a timely manner would result in significant delays in the clinical development and sale of products, which could adversely affect the Company's business, financial condition and results of operations.

No Assurance of FDA Approval; Comprehensive Government Regulation. The Company's research, development and clinical programs are subject to extensive regulation by numerous governmental authorities in the United States and other countries. Most of the Company's products will require governmental approvals for commercialization which have not yet been obtained and are not expected to be obtained for several years. Preclinical and clinical trials and manufacturing and marketing of many of the Company's products will be subject to the rigorous testing and approval processes of the FDA and corresponding foreign regulatory authorities. The regulatory process, which includes preclinical, clinical and post-clinical testing of many of the Company's products to establish their safety and efficacy, can take many years and requires the expenditure of substantial resources. Data obtained from preclinical and clinical activities are susceptible to varying interpretations which could delay, limit or prevent regulatory approval. In addition, delays or rejection may be encountered based upon changes in, or additions to, regulatory policies for drug approval during the period of product development and regulatory review, which may result in limitations or restrictions on the Company's ability to utilize its technology or develop its products. Delays in obtaining such approvals could adversely affect the marketing of products developed by the Company and the Company's ability to generate commercial product revenues. There can be no assurance that requisite regulatory approvals will be obtained within a reasonable period of time, if at all, or that the Company will not encounter problems in clinical trials that will cause the Company or governmental authorities to delay or suspend such trials. Moreover, if regulatory approval of a product is granted, such approval may impose limitations on the indicated uses for which such product may be marketed which may restrict the patient population for which any product may be prescribed. Further, even if such regulatory approval is obtained, a marketed product, its manufacturer and its manufacturing facilities are subject to continuing review and periodic inspections, and later discovery of previously unknown problems with a product, manufacturer or facility may result in restrictions on such product or manufacturer, including withdrawal of the product from the market. Failure to comply with the applicable regulatory requirements can, among other things, result in fines, suspensions of regulatory approvals, product recalls, operating restrictions and criminal prosecution.

To commercialize any product and prior to submitting the application for marketing approval in the United States, the Company must sponsor and file an Investigational New Drug application ("IND") for each proposed product and must be responsible for initiating and overseeing the clinical studies to demonstrate the safety and efficacy that are necessary to obtain FDA approval of such product. There can be no assurance that the Company will be able to obtain the necessary clearances for clinical trials or approvals for manufacturing or marketing any of its product candidates. After completion of clinical trials of a new product, FDA marketing approval must be obtained. At that time, the Company must submit relevant data, including the results of

product development activities, preclinical studies and clinical trials, in addition to detailed manufacturing information. Notwithstanding the submission of relevant data, the FDA may withhold marketing approval and may require additional clinical trials.

Dependence on Manufacturing, Sales, Distribution and Marketing Partners. To be successful, the Company's products must be manufactured in commercial quantities, within regulatory requirements and at competitive costs. There can be no assurance that the Company will be able to obtain access to suitable product manufacturing facilities. Except for research reagents and certain diagnostic products, the Company has limited experience in sales, marketing and distribution of commercial products. To market any of its products directly, the Company must develop a substantial marketing and sales force with technical expertise and a supporting distribution capability. There can be no assurance that the Company will be able to establish sales and distribution capabilities without undue delays or expenditures or that it will be successful in gaining market acceptance for its products. The Company may also enter into strategic partnerships for the manufacturing, sales, distribution and marketing of its products. There can be no assurance the Company will be able to enter into successful strategic partnership agreements on terms acceptable to the Company, if at all.

Competition and Risk of Technological Obsolescence. Biotechnology, pharmaceuticals and therapeutics are rapidly evolving fields in which developments are expected to continue at a rapid pace. Competitors of the Company in the United States and abroad are numerous and include, among others, pharmaceuticals, therapeutics and biotechnology companies as well as universities and other research institutions. The Company's success depends upon developing and maintaining a competitive position in the development of products and technologies in its area of focus. Competition from other biotechnology, pharmaceuticals and therapeutics companies is intense and expected to increase as new products enter the market and new technologies become available. The Company's competitors may also succeed in developing technologies and products that are more effective than any which have been or are being developed by the Company or that render the Company's technologies or products obsolete or noncompetitive. The Company's competitors may also succeed in obtaining patent protection or other intellectual property rights that would block the Company's ability to develop its potential products, or in obtaining regulatory approval for the commercialization of their products more rapidly or effectively than the Company. Finally, many of these competitors have substantially greater research and development capabilities, clinical, manufacturing, regulatory and marketing experience and financial and managerial resources than the Company.

Dependence on Patents and Proprietary Technology. The Company's success will depend in part on the ability of the Company and its licensors to obtain and maintain patent protection for the Company's technology and to preserve its trade secrets and operate without infringing on the proprietary rights of others, both in the United States and in other countries. The failure of the Company or its licensors to obtain and maintain patent protection for the Company's technology could have a material adverse effect on the Company's business, financial condition and results of operations. Patent positions in the biotechnology field are highly uncertain and involve complex legal, scientific and factual questions. To date, there has emerged no consistent policy regarding the breadth of claims allowed in biotechnology patents, particularly in regard to human therapeutic uses. There can be no assurance that patent applications relating to the technology used by the Company will result in patents being issued or that, if issued, the patent will not be subjected to further proceedings limiting the scope of the rights under the patent or that such patent will provide a competitive advantage or will afford protection against competitors with similar technology, or will not be challenged successfully, invalidated or circumvented by competitors. Moreover, because patent applications in the United States are maintained in secrecy until patents issue and patent applications in certain other countries generally are not published until more than 18 months after they are filed, and since publication of discoveries in scientific or patent literature often lags behind actual discoveries, the Company cannot be certain that it or any licensor was the first creator of inventions covered by pending patent applications or that it or such licensor was the first to file patent applications for such inventions. In addition, the Company could incur substantial costs in defending itself in suits brought against it or in suits in which the Company may assert its patents against others. If the outcome of any such litigation is adverse to the Company, the Company's business, financial condition and results of operations could be materially adversely affected. In addition to any potential liability for significant damages, the Company may be required to obtain licenses to patents or other proprietary rights of

third parties. Costs associated with any licensing arrangement may be substantial and could include ongoing royalties. No assurance can be given that any licenses required under any such patents or proprietary rights would be made available on terms acceptable to the Company, if at all. If the Company does not obtain such licenses, it could encounter delays in product market introductions while it attempts to design around such patents or other rights, or be prevented from manufacturing and marketing such products. In either case, the failure to obtain such licenses on acceptable terms, if at all, could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company also seeks to protect its proprietary technology, including technology which may not be patented or patentable, in part by confidentiality agreements and, if applicable, inventors' rights agreements with its collaborators, advisors, employees and consultants. There can be no assurance that these agreements will not be breached, that the Company will have adequate remedies for any breach, or that the Company's trade secrets will not otherwise be disclosed to, or discovered by, competitors. Moreover, the Company conducts a significant amount of research through academic advisors and collaborators who are prohibited from entering into confidentiality or inventors' rights agreements by their academic institutions.

Dependence on Reimbursement. In both the United States and elsewhere, sales, if any, of most of the Company's products will be dependent in part on the availability of reimbursement from third party payors, such as government and private insurance plans. Third party payors are increasingly challenging the prices charged for medical products and services. Moreover, the federal government of the United States has made the containment of health care costs a top priority. If the Company succeeds in bringing one or more products to market, there can be no assurance that these products will be considered cost-effective, that reimbursement will be available or, if available, that the level of reimbursement will be sufficient to allow the Company to sell its products on a profitable basis.

Exposure to Product Liability Claims. The Company's business exposes it to inherent risks of product liability claims, product recalls and associated adverse publicity which are inherent in the testing, manufacturing, marketing and sale of human therapeutic products. The Company currently has liability insurance of limited coverage. There can be no assurance that it will be able to maintain such insurance or obtain general product liability insurance on acceptable terms or at reasonable costs or that such insurance will be in sufficient amounts to provide the Company with adequate coverage against potential liabilities. A product liability claim or product recall could inhibit or prevent commercialization of products being developed by the Company. Any product liability claim or product recall could have a material adverse effect on the Company's business, financial condition and results of operations.

Health Care Reform. The health care industry in the United States and in Europe is undergoing fundamental changes as the result of political, economic and regulatory influences. Reforms proposed from time to time include mandated basic health care benefits, controls on health care spending through limitations on the growth of private health insurance premiums and Medicare and Medicaid spending, the creation of large insurance purchasing groups and fundamental changes to the health care delivery system. The Company anticipates that alternative health care delivery systems and methods of payment will continue to be reviewed and assessed, and public debate of these issues will likely continue. The Company cannot predict whether any reform initiatives will result or, if adopted, what impact they might have on the Company, and there can be no assurance that the adoption of reform proposals will not have a material adverse effect on the Company's business, financial condition and results of operations. Announcements of reform proposals and the investment community's reaction to such proposals, announcements by competitors and third-party payors of their strategy in responding to reform initiatives, and general industry conditions could produce volatility in the trading and market price of the Common Stock.

Hazardous Materials; Environmental Matters. The Company's research and development activities involve the controlled use of hazardous materials, chemicals, biological materials and radioactive compounds. The Company is subject to federal, state and local laws and regulations governing the use, manufacture, storage, handling and disposal of such materials and certain waste products. Although the Company believes that its safety procedures for handling and disposing of such materials comply with the standards prescribed by such

laws and regulations, the risk of accidental contamination or injury from these materials cannot be completely eliminated. In the event of such an accident, the Company could be held liable for any resulting damages, and any such liability could exceed the Company's resources. The Company may be required to incur significant costs to comply with environmental laws and regulations in the future. Current or future environmental laws or regulation may have a material adverse effect on the Company's business, financial condition and results of operations.

Dependence Upon Key Personnel. The Company is dependent on the members of its management and scientific staff, the loss of one or more of whom could have a material adverse effect on the Company. The Company also depends on its scientific collaborators and advisors, all of whom have commitments that may limit their availability to the Company. In addition, the Company believes that its future success will depend in large part upon its ability to attract and retain highly skilled scientific, managerial and marketing personnel, particularly as the Company expands its activities in clinical trials, the regulatory approval process and sales and manufacturing. The Company faces significant competition for such personnel from other companies, research and academic institutions, government entities and other organizations. There can be no assurance that the Company will be successful in hiring or retaining the personnel it requires for continued growth. The failure to hire and retain such personnel could materially and adversely affect the Company's future business, financial condition and results of operations.

Liquidity; Shares Eligible for Future Sale. The Shares offered for sale hereby have not been registered under the Securities Act or any state securities laws, and as a result, they may not be transferred or resold except as permitted under the Act and applicable state securities laws pursuant to registration or an exemption therefrom. The Company has agreed to file with the Securities and Exchange Commission a registration statement for the resale from time to time of the Shares by purchasers thereof.

Future sales of Common Stock in the public market by existing stockholders could have an adverse effect on the price of the Common Stock. In addition, the Company has registered the shares of Common Stock to be issued under its 1985 Incentive Stock Option Plan and its Amended and Restated 1991 Stock Compensation Plan on a Registration Statement on Form S-8 and approximately 2.0 million shares of Common Stock are presently eligible for sale upon exercise of currently outstanding options.

Volatility of Stock Price. The market price of the shares of the Common Stock, like that of the common stock of many other early-stage biotechnology companies, may be highly volatile. Factors such as announcements of technological innovations or new commercial products by the Company or its competitors, disclosure of results of clinical testing or regulatory proceedings, governmental regulation and approvals, developments in patent or other proprietary rights, public concern as to the safety of products developed by the Company and general market conditions may have a significant effect on the market price of the Common Stock. In addition, the stock market has experienced and continues to experience extreme price and volume fluctuations which have effected the market price of many biotechnology companies and which have often been unrelated to the operating performance of these companies. These broad market fluctuations, as well as general economic and political conditions, may adversely effect the market price of the Common Stock.

THE COMPANY

T Cell Sciences, Inc., a Delaware corporation (the "Company"), is a biopharmaceutical company engaged in the discovery and development of innovative drugs targeting diseases of the immune, inflammatory and vascular systems. The Company's technology platforms are based on its understanding of the ways in which the body triggers it natural defense mechanisms. The Company's lead therapeutic program is focused on developing compounds that inhibit the inappropriate activation of the complement cascade, a vital part of the body's immune defense system. The Company has also established a program for the discovery and development of small-molecule immunoregulatory therapeutic compounds, for the prevention of immune rejection of transplanted organs and the treatment of autoimmune disorders. The Company's third program targets the development of a therapeutic vaccine for the prevention and treatment of atherosclerosis.

The Company's lead therapeutic program is focused on developing compounds that inhibit a part of the immune system called the complement system. The complement system is a series of proteins that are important initiators of the body's acute inflammatory response against disease, infection and injury. Excessive complement activation also plays a role in chronic inflammatory conditions. When the complement is activated, it helps to identify and eliminate damaged tissue. In certain situations, however, excessive complement activation may destroy viable and healthy tissue which, though damaged, might recover. This excessive response compounds the effects of the initial injury or introduces unwanted tissue destruction in clinical situations such as organ transplants, other surgeries and treatment for heart attacks. Many independent published studies have reported that the Company's lead compound, TP10, a soluble form of naturally occurring Complement Receptor 1 (sCR1), effectively inhibits the activation of the complement cascade in animal models. The Company believes that regulation of the complement system could have therapeutic and prophylactic applications in several acute and chronic conditions, including adult respiratory distress syndrome, reperfusion injury, organ transplant, multiple sclerosis, Alzheimer's disease, rheumatoid arthritis and lupus. In the U.S., several million people are afflicted with these complement-medicated conditions.

In October 1997, the Company announced positive preliminary results with respect to efficacy from a Phase I/II clinical trial of TP10 in patients undergoing lung transplantation. A goal of the trial was to determine the ability of TP10 to reduce reperfusion injury and improve lung function in patients with end-stage pulmonary disease who were undergoing lung transplant surgery. The results showed that at 24 hours after surgery, significantly fewer of the patients receiving TP10 required ventilation as compared to those receiving placebo. The patients receiving TP10 tended to have shorter time intubated and on ventilator, and shorter stays in the ICU. Additionally, those patients who received TP10 and also underwent cardiopulmonary by-pass as part of the transplantation procedure showed significantly decreased intubation time and time on ventilation.

In October 1997, the Company announced it had entered into a collaborative agreement with Novartis Pharma AG, Basel, Switzerland ("Novartis") relating to the development of TP10 for use in xenotransplantation (animal organs into humans) and allotransplantation (human to human organ transplantation). Under the agreement, the Company may receive annual option fees and supplies of TP10 for clinical trials, the combination of which is valued at up to approximately $5 million, in return for granting Novartis a two-year option to license TP10 with exclusive worldwide (except Japan) marketing rights. Should Novartis exercise its option to license TP10 and continue development, the Company may receive an equity investment, licensing fees and milestone payments based upon attainment of certain development and regulatory goals, which has an approximate aggregate value of up to $25 million. The Company may also receive funding for research as well as royalty payments on eventual product sales.

In April 1998, the Company announced positive results with respect to efficacy from a Phase I/II clinical trial of TP10 in patients undergoing lung transplantation. A goal of the trial was to determine the ability of TP10 to reduce reperfusion injury and improve lung function in patients with end-stage pulmonary disease who were undergoing lung transplant surgery. The results showed that one day after surgery, significantly fewer of the patients receiving TP10 required ventilation as compared to those receiving placebo. The patients receiving TP10 tended to have shorter time intubated and on ventilator, and shorter stays in the ICU. Additionally, those patients who received TP10 and also underwent cardiopulmonary by-pass as part of the transplantation procedure showed significantly decreased intubation time and time on ventilation.

As a direct result of over thirteen (13) years of experience working with T cells and building on the Company's evaluation capabilities in molecular and cellular immunology and small-animal immunology models, the Company has developed a proprietary screening platform that it uses to identify small-molecule compounds which can regulate T cell activation. These whole cell screens are based on signal transduction and gene regulation directed to cytokine gene targets. T cell activation plays an important role in solid organ transplant rejection as well as in certain autoimmune diseases. The Company is seeking to develop an alternative treatment to existing immunosuppressants such as Cyclosporin and FK506, which due to their toxicity, have limited

application in chronic conditions. Despite this limitation, worldwide sales of Cyclosporin in 1995 exceeded $1 billion. The Company's basic approach is to combine the biological skills and proprietary screens it has developed with the small-molecule libraries created by other biotechnology companies.

The Company is developing a therapeutic vaccine against endogenous cholesteryl ester transfer protein ("CETP"), which may be useful in reducing risk factors for atherosclerosis. CETP is a key intermediary in the balance of high-density lipoprotein ("HDL" or "good" cholesterol) and low-density lipoprotein ("LDL" or "bad" cholesterol). The Company is developing a vaccine to stimulate an immune response against CETP which it believes may improve the ratio of HDL to LDL and reduce the potential of atherosclerosis. The Company has conducted studies using animal models that demonstrate the Company's ability to break immune tolerance, produce autoreactive antibodies to CETP, elevate HDL levels and reduce blood vessel lesions.

RECENT DEVELOPMENTS

On May 12, 1998, the Company entered into a definitive merger agreement whereby it will acquire Virus Research Institute, Inc. ("VRI"). Under the terms of the merger agreement, which is subject to shareholder and regulatory approval, the Company will issue 1.55 shares of its common stock and 0.2 warrants for each share of VRI common stock. Each warrant represents the right to purchase a share of the Company's common stock for $6.00 per share and will expire five years from the closing date. The number of shares of common stock outstanding on May 12, 1998 was 28,531,285 and 9,039,355 for T Cell Sciences and VRI, respectively.

USE OF PROCEEDS

The Company will not receive any proceeds from the sale of the Shares by the Selling Stockholders.

REGISTRATION RIGHTS

The registration of the Shares pursuant to the Registration Statement of which this Prospectus is a part will discharge a portion of the Company's obligations under the terms of a Stock Purchase Agreement dated March 20, 1998.

Pursuant to the Stock Purchase Agreement, the Company has agreed to pay all expenses of registering the Shares (other than brokerage and underwriting commissions, taxes of any kind and any legal, accounting and other expenses incurred by a holder thereunder). The Company also has agreed under the Stock Purchase Agreement to indemnify each Selling Stockholder and its officers, directors and other affiliated persons and any person who controls any Selling Stockholder against losses, claims, damages and expenses arising under the securities laws in connection with the Registration Statement or this Prospectus, subject to certain limitations. In addition, each Selling Stockholder under the Stock Purchase Agreement severally agreed to indemnify the Company and its respective directors, officers and any person who controls the Company against all losses, claims, damages and expenses arising under the securities laws insofar as such loss, claim, damage or expense relates to information furnished to the Company by such Selling Stockholder for use in the Registration Statement or Prospectus or an amendment or supplement thereto or the failure by such Selling Stockholder (through no fault of the Company) to deliver or cause to be delivered this Prospectus or any amendment or supplement thereto to any purchaser of Shares covered by the Registration Statement from such Selling Stockholder.

SELLING STOCKHOLDERS

The Shares are to be offered by and for the respective accounts of the Selling Stockholders. The following table sets forth the name and number of shares of Common Stock owned by each Selling Stockholder as of March 20, 1998. The Shares offered by this Prospectus may be offered from time to time by the Selling Stockholders. Because the Selling Stockholders may sell all, some or none of the Shares, the Company has assumed that the Selling Stockholders will sell all of the Shares in determining the number and percentage of shares of Common Stock that each Selling Stockholder will own upon completion of the offering to which this Prospectus relates. The amounts set forth below are based upon information provided by the Selling Stockholders and are accurate to the best knowledge of the Company.

Selling Stockholder	Shares of Common Stock Beneficially Owned as of March 31, 1998	Shares of Common Stock Offered Hereby	Shares of Common Stock Owned After the Offering (2)	
			Number(1)	Percent (2)
SMALLCAP World Fund, Inc.	1,500,000	200,000	1,300,000	4.6%
Lombard Odier & Cie	1,053,631	1,052,631	1,000	*
Lindfield Management Inc.	353,469	353,469	0	*
Pierre Alan Mathier	317,036	317,036	0	*
Sequest Foundation	35,191	35,191	0	*
Anisfield Investments, Ltd	10,167	10,167	0	*
Total	3,269,494	1,968,494	1,301,000	4.6%

* Less than 1%.

(1) Assumes that all Shares hereby offered by the Selling Stockholders are sold.
(2) Based on 28,531,285 outstanding shares of Common Stock of the Company as of March 31, 1998.

PLAN OF DISTRIBUTION

Shares of Common Stock covered hereby may be offered and sold from time to time by the Selling Stockholders. The Selling Stockholders will act independently of the Company in making decisions with respect to the timing, manner and size of each sale. Such sales may be made in transactions on the Nasdaq National Market or otherwise at prices related to the then current market price or in negotiated transactions. The Selling Stockholders may also make private sales either directly or through a broker or brokers. The Shares may be sold by one or more of the following methods: (a) purchases by the broker-dealer as principal and resale by such broker or dealer for its account pursuant to this Prospectus; (b) ordinary brokerage transactions and transactions in which the broker solicits purchasers; and (c) block trades in which the broker-dealer so engaged will attempt to sell the Shares as agent, but may position and resell a portion of the block as principal to facilitate the transaction. In effecting sales, broker-dealers engaged by the Selling Stockholders may arrange for other broker-dealers to participate. Broker-dealers will receive commissions or discounts from the Selling Stockholders in amounts to be negotiated immediately prior to the sale.

In offering the shares of Common Stock covered hereby, the Selling Stockholders and any broker-dealers who execute sales for the Selling Stockholders may be deemed to be "underwriters" within the meaning of the Securities Act in connection with such sales, and any profits realized by the Selling Stockholders and the compensation of such broker-dealer may be deemed to be underwriting discounts and commissions under the Securities Act.

The Company has agreed to indemnify each Selling Stockholder against any liabilities, under the Securities Act or otherwise, arising out of or based upon any untrue or alleged untrue statement of a material fact in the Registration Statement or this Prospectus or by any omission of a material fact required to be stated therein except to the extent that such liabilities arise out of or are based upon any untrue or alleged untrue statement or omission in any information furnished in writing to the Company by the Selling Stockholder expressly for use in the Registration Statement.

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

LEGAL MATTERS

The validity of the issuance of the Shares offered hereby will be passed upon for the Company by its counsel, Goodwin, Procter & Hoar LLP, Boston, Massachusetts.

EXPERTS

The consolidated financial statements incorporated in this Prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 1997, have been so incorporated in reliance upon the report of Price Waterhouse LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

No dealer, sales representative or any other person has been authorized to give any information or to make any representations in connection with this offering other than those contained in this Prospectus, and, if given or made, such information or representations must not be relied upon as having been authorized by the Company or any other person. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities other than the shares of Common Stock to which it relates or an offer to, or a solicitation of, any person in any jurisdiction where such an offer or solicitation would be unlawful. Neither the delivery of this Prospectus nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company or that information contained herein is correct as of any time subsequent to the date hereof.

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1,968,494 Shares

T CELL SCIENCES, INC.

COMMON STOCK

PROSPECTUS

June 11, 1998

Part II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution. (1)

The following are the estimated expenses of the distribution of the Shares registered hereunder on Form S-3:

SEC Registration Fee	$ 1,706
Legal Fees and Expenses	20,000
Placement Fees & Expenses	182,655
Total	$ 204,361

(1) The amounts set forth above, except for the SEC Registration Fee, are estimated.

Item 15. Indemnification of Directors and Officers.

The Company is a Delaware corporation. Reference is made to Section 145 of the Delaware General Corporation Law (the "DGCL"), which enables a corporation to eliminate or limit the personal liability of a director for monetary damages for violations of the director's fiduciary duty, except for liability (i) for any breach of the director's duty of loyalty to the Company, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under to Section 145 or (iv) for any transaction from which a director derived an improper personal benefit. The Company has adopted such provisions in the Company's Amended and Restated Bylaws (the "Bylaws").

The DGCL permits, but does not require, a corporation to indemnify its directors, officers, employees or agents and expressly provides that the indemnification provided for under the DGCL shall not be deemed exclusive of any indemnification right under any bylaw, vote of stockholders or disinterested directors, or otherwise. The DGCL permits indemnification against expenses and certain other liabilities arising out of legal actions brought or threatened against such persons for their conduct on behalf of the corporation, provided that each such person acted in good faith and in a manner that he or she reasonably believed was in or not opposed to the corporation's best interests and in the case of a criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The DGCL does not allow indemnification of directors in the case of an action by or in the right of the corporation (including stockholder derivative suits) unless the directors successfully defend the action or indemnification is ordered by the court. The Bylaws of the Company provide for indemnification to the fullest extent authorized by the DGCL and, therefore, these statutory indemnification rights are available to the directors, officers, employees and agents of the Companies. Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended (the "Securities Act") may be permitted to directors and officers of the Company pursuant to the foregoing provision or otherwise, the Company has been advised that, in the opinion of the Commission, such indemnification is against public policy as expressed in the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is therefore, unenforceable.

The Company currently carries a directors' and officers' liability insurance policy which provides for payment of expenses of the Company's directors and officers in connection with threatened, pending or completed actions, suits or proceedings against them in their capacities as directors and officers, in accordance with the Bylaws and the DGCL.

Item 16. Exhibits.

Exhibit No.	Description
4.1	Form of Stock Purchase Agreements dated as of March 20, 1998, between the Company and the Selling Shareholders
5.1	Opinion of Goodwin, Procter & Hoar LLP
23.1	Consent of Price Waterhouse LLP
23.2	Consent of Goodwin, Procter & Hoar LLP (included in Exhibit 5.1)
24.1	Power of Attorney (included on signature page)

Item 17. Undertakings.

(a) The undersigned Registrant hereby undertakes:

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

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

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

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

provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the Registration Statement is on Form S-3, Form S-8 or Form F-3, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or 15(d) of the Exchange Act that are incorporated by reference in the Registration Statement.

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

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

(4) If the Registrant is a foreign issuer, to file a post-effective amendment to the Registration Statement to include any financial statements required by Rule 3-19 of this chapter at the start of any delayed offering or throughout a continuous offering. Financial statements and information otherwise required by Section 10(a)(3) of the Securities Act need not be furnished, provided, that the registrant includes in the prospectus, by means of a post-effective amendment, financial statements required pursuant to this paragraph (a)(4) and other information necessary to ensure that all other information in the prospectus is at least as current as the date of those financial statements. Notwithstanding the foregoing, with respect to the registration statements on Form F-3, a post-effective amendment need not be filed to include financial statements and information required by Section 10(a)(3) of the Securities Act or Rule 3-19 of this chapter if such financial statements and information are contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in the Form F-3.

(b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) that is incorporated by reference in the Registration Statement

shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Needham, Commonwealth of Massachusetts, on May 29, 1998.

T CELL SCIENCES, INC.

By: /s/ Una S. Ryan

Una S. Ryan, Ph.D
President, Chief Executive Officer and Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, each of the undersigned officers and directors of T Cell Sciences, Inc. hereby severally constitutes Una S. Ryan, Ph.D his or her true and lawful attorney with full power to her, to sign for the undersigned and in his or her name in the capacity indicated below, the Registration Statement filed herewith and any and all amendments to said Registration Statement, and generally to do all such things in his or her name and in his or her capacity as an officer or director to enable T Cell Sciences, Inc. to comply with the provisions of the Securities Act of 1933, and all requirements of the Securities and Exchange Commission, hereby ratifying and confirming his or her signature as it may be signed by his or her said attorney, or any of them, to said Registration Statement and any and all amendments thereto.

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

Signature	Title	Date
/s/ Una S. Ryan Una S. Ryan, Ph.D	President, Chief Executive Officer and Director (Principal Executive Officer)	May 29, 1998
/s/ Norman W. Gorin Norman W. Gorin	Vice President, Finance, Chief Financial Officer and Secretary (Principal Financial Officer and Principal Accounting Officer)	May 29, 1998
/s/ Harry H. Penner, Jr. Harry H. Penner, Jr.	Director	June 9, 1998
/s/ Patrick C. Kung Patrick C. Kung, Ph.D	Director	May 26, 1998
/s/ Thomas R. Ostermueller Thomas R. Ostermueller	Director	May 29, 1998

EXHIBIT INDEX

Exhibit Number		Description
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23.2	-	Consent of Goodwin, Procter & Hoar LLP (included in Exhibit 5.1)
24.1	-	Power of Attorney (included on signature page)

Exhibit 4.1

STOCK PURCHASE AGREEMENT

THIS AGREEMENT is made as of the day of March, 1998, between T Cell Sciences, Inc. (the "Company"), a corporation organized under the laws of the State of Delaware with its principal offices at 119 Fourth Avenue, Needham, Massachusetts 02194, and the purchaser whose name and address is set forth on the signature page hereof (the "Purchaser").

IN CONSIDERATION of the mutual covenants contained in this Stock Purchase Agreement, the Company and the Purchaser agree as follows:

SECTION 1. Authorization of Sale of the Shares. Subject to the terms and conditions of this Stock Purchase Agreement, the Company has authorized the sale of up to twenty percent (20%) of its outstanding shares of common stock, par value $.001 per share of the Company (the "Common Stock"). The shares of Common Stock, and the Penalty Shares (as defined in Section 7.5) are referred to herein collectively as the "Shares."

SECTION 2. Agreement to Sell and Purchase Shares.

(a) At the Closing Date (as defined in Section 3), the Company will sell to the Purchaser, and the Purchaser will buy from the Company, upon the terms and conditions hereinafter set forth, _____ shares of Common Stock at the purchase price per Share of $_____(the "Stock Purchase Price").

(b) The Company proposes to enter into a similar form of Stock Purchase Agreement ("Other Stock Purchase Agreements") with certain other investors (the "Other Purchasers"). The Purchaser and the Other Purchasers are hereinafter sometimes collectively referred to as the "Purchasers," and this Stock Purchase Agreement and the Other Stock Purchase Agreements are hereinafter sometimes collectively referred to as the "Agreements."

SECTION 3. Delivery of Shares on the Closing Date.

(a) The closing for the purchase and sale of the shares of Common Stock (the "Closing") shall occur on approximately March 13, 1998 (the "Closing Date") at the offices of Anisfield Investments Ltd. c/o Kenneth Sirlin, P.C., the Trump Building, 40 Wall Street, 59th Floor, New York, New York 10005. On or prior to the Closing Date, the Purchaser shall have executed both the Stock Purchase Agreement and the Registration Statement Questionnaire. The Closing shall be when the following have occurred: (i) the Purchaser has placed an amount equal to the Stock Purchase Price multiplied by the number of shares of Common Stock, as set forth in Section 2 above (the "Aggregate Purchase Price"), in an escrow account established by Kenneth Sirlin, P.C. at Chase Manhattan Bank (the "Escrow Account"); and (ii) the Company shall have delivered to the Escrow Account one or more certificates for the shares of Common Stock to be issued to the Purchaser on the Closing Date. On the Closing Date, there shall be released from the Escrow Account to the Purchaser one or more certificates registered in the name of the Purchaser representing the number of shares of Common Stock as provided in Section 2 above, and all funds in the Escrow Account shall be released to the Company, pursuant to the Company's instructions. Stock certificates evidencing the shares of Common Stock will be delivered to each Purchaser on the Closing Date with a legend in substantially the following form:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE OFFERED, SOLD, TRANSFERRED OR HYPOTHECATED OR OTHERWISE ASSIGNED EXCEPT PURSUANT TO (I) A REGISTRATION STATEMENT WITH RESPECT TO SUCH SECURITIES WHICH IS EFFECTIVE UNDER SUCH ACT OR (II) RULE 144 OR 144A UNDER SUCH ACT OR ANY OTHER AVAILABLE EXEMPTION FROM REGISTRATION UNDER SUCH ACT RELATING TO DISPOSITION OF SECURITIES."

The name(s) in which the stock certificates are to be registered are set forth in the Stock Certificate Questionnaire attached hereto as part of Appendix I.

(b) The Company's obligation to complete the purchase and sale of the shares of Common Stock and deliver such stock certificate(s) to the Purchaser on the Closing Date shall be subject to the following conditions, any one or more of which may be waived by the Company: (i) execution by the Purchaser of a Stock Purchase Agreement (including the Stock Certificate Questionnaire in Appendix I) and the Registration Statement Questionnaire, (ii) delivery by the Purchaser of the Aggregate Stock Purchase Price for the number of shares of Common Stock purchased as set forth in Section 2 above, to the Escrow Account; (iii) release to the Company of such funds held in the Escrow Account in the full amount of the Aggregate Stock Purchase Price for number of shares of Common Stock set forth in Section 2; and (iv) the accuracy of the representations and warranties made by the Purchasers and the fulfillment of those undertakings of the Purchasers to be fulfilled prior to the Closing Date.

(c) The Purchaser's obligation to accept delivery of such stock certificates(s) and to pay for the shares of Common Stock evidenced thereby on the Closing Date shall be subject to the following conditions, any of which may be waived by the Purchaser: (i) the accuracy in all material respects as of the Closing Date of the representations and warranties made by the Company herein as if made on the Closing Date; (ii) the fulfillment in all material respects of those undertakings of the Company to be fulfilled prior to the Closing Date; (iii) release from the Escrow Account to the Purchaser, against receipt by the Company of the Aggregate Stock Purchase Price simultaneously released from the

Escrow Account, of the certificates for the number of shares of Common Stock as provided in Section 2; and (iv) receipt by the Purchasers of an opinion of counsel to the Company, dated as of the Closing Date and addressed to the Purchaser, in substantially the form attached hereto as Exhibit 1.

The Purchaser's obligations hereunder are expressly not conditioned on the purchase by any or all of the Other Purchasers of the shares of Common Stock that they have agreed to purchase from the Company.

SECTION 4. Representations, Warranties and Covenants. The Company hereby represents and warrants to, and covenants with, the Purchaser as follows:

4.1 Organization and Qualification. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to conduct its business as currently conducted.

4.2 Authorized Capital Stock. As of December 31, 1997, the authorized capital stock of the Company consisted of (a) 50,000,000 shares of Common Stock, $.001 par value per share, of which 26,478,864 shares were validly issued and outstanding, fully paid and non-assessable; (b) 1,163,102 shares of Class B Preferred Stock, $2.00 par value per share, of which no shares were issued and outstanding; and (c) 3,000,000 shares of Class C Preferred Stock, $.01 par value per share, of which no shares were issued and outstanding. As of January 1, 1998, 8,552 shares of Common Stock were held in the treasury of the Company. When issued and delivered to the Purchaser by the Company against payment of the consideration set forth herein, the shares of Common Stock and the Additional Shares (as defined herein), if any, will be validly issued, fully paid and non-assessable.

The Common Stock is authorized for trading on the Nasdaq National Market and no suspension of trading in the Common Stock is in effect.

4.3 Due Execution, Delivery and Performance of the Agreements. The Company's execution, delivery and performance of the Agreements (a) have been duly authorized by all requisite corporate action by the Company, (b) will not violate any law or the Certificate of Incorporation or By-laws of the Company or any provision of any material indenture, mortgage, agreement, contract or other material instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries or any of their properties or assets is bound as of the date hereof, and (c) will not result in a breach of or constitute (upon notice or lapse of time or both) a default under any such indenture, mortgage, agreement, contract or other material instrument or the creation or imposition of any lien, security interest, mortgage, pledge, charge or other encumbrance, of any material nature whatsoever upon any properties or assets of the Company or any of its subsidiaries. Upon their execution and delivery, and assuming the valid execution thereof by the respective Purchasers, this Agreement will constitute the valid and binding obligation of the Company, enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' and contracting parties' rights generally and except as enforceability may be subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in

equity or at law) and except as the indemnification and contribution agreements of the Company in Section 7.11 hereof may be legally unenforceable.

4.4 Additional Information. The Company represents and warrants that the information contained in the following documents, which the Company has furnished to the Purchaser, taken as a whole, does not contain any untrue statement of material fact or omit to state any material fact necessary in order to make the statements therein not misleading as of the respective final dates of the documents.

(a) the Company's Annual Report to Stockholders on Form 10-K for the fiscal year ended December 31, 1996 (without exhibits);

(b) the Company's Quarterly Reports on Form 10-Q for the quarters ended March 31, 1997, June 30, 1997 and September 30, 1997;

(c) Notice to Shareholders and Proxy Statement for its Annual Meeting of Shareholders held May 13, 1997;

(d) the Company's Current Report on Form 8-K dated August 26, 1997;

(e) the Company's Press Release dated October 15, 1997 (1 of 2);

(f) the Company's Press Release dated October 15, 1997 (2 of 2);

(g) the Company's Press Release dated November 3, 1997;

(h) the Company's Press Release dated January 21, 1998; and

(i) the Company's Press Release dated February 23, 1998.

4.5 No Material Change. There has been no material adverse change in the financial condition or business or results of operations of the Company since September 30, 1997.

4.6 Approvals. No authorization, approval or consent of any governmental body or the stockholders of the Company is required to be obtained by the Company for the issuance and sale of the Shares as contemplated by this Stock Purchase Agreement.

4.7 Absence of Litigation. Except as disclosed in the documents referred to in Section 4.4, there is no action, suit, proceeding, inquiry or investigation before or by any court, public board or body pending or, to the knowledge of the Company or any of its subsidiaries, threatened against or affecting the Company or any of its subsidiaries, wherein an unfavorable decision, ruling or finding would have a material adverse effect on the business,

financial condition or results of operations of the Company and its subsidiaries taken as a whole or the transaction contemplated by this Stock Purchase Agreement or any of the documents contemplated hereby or which would adversely affect in any material respect the validity or enforceability of, or the authority or ability of the Company to perform its obligations under this Stock Purchase Agreement or any of such other documents.

SECTION 5. Representations, Warranties and Covenants of the Purchaser.

(a) The Purchaser represents and warrants to, and covenants with, the Company that: (i) the Purchaser is knowledgeable, sophisticated and experienced in making, and is qualified to make decisions with respect to investments in securities presenting an investment decision like that involved in the purchase of shares of Common Stock, including investments in securities issued by the Company and investments in development stage companies, and has requested, received, reviewed and considered all information it deems relevant in making an informed decision to purchase the shares of Common Stock; (ii) the Purchaser is acquiring the Shares pursuant to this Stock Purchase Agreement in the ordinary course of its business and for its own account for investment only and with no present intention of distributing any of such Shares or in any arrangement or understanding with any other persons regarding the distribution of such Shares; (iii) the Purchaser will not, directly or indirectly, offer, sell, pledge, transfer or otherwise dispose of (or solicit any offers to buy, purchase or otherwise acquire or take a pledge of) any of the Shares except in compliance with the Securities Act of 1933, as amended (the "Securities Act") and the rules and regulations promulgated thereunder; (iv) the Purchaser has completed or caused to be completed the Prospective Investor Questionnaire, the Registration Statement Questionnaire and the Stock Certificate Questionnaire, each attached hereto as Appendix I and the answers thereto are true and correct as of the date hereof and will be true and correct as of the effective date of the Registration Statement; (v) the Purchaser has, in connection with its decision to purchase the number of shares of Common Stock set forth in Section 2 above, relied solely upon the representations and warranties of the Company contained herein; and (vi) the Purchaser is an "accredited investor" within the meaning of Rule 501 of Regulation D promulgated under the Securities Act; and (vii) that the Purchaser will hold the Shares for a period of thirty (30) days following the Closing Date.

(b) The Purchaser hereby covenants with the Company not to make any sale of the Shares without effectively causing the prospectus delivery requirement under the Securities Act to be satisfied or otherwise complying with the Securities Act, and the Purchaser acknowledges and agrees that the Shares are not transferable on the books of the Company unless the certificate submitted to the transfer agent evidencing the Shares is accompanied by (1) a separate certificate (i) in the form of Appendix II hereto, (ii) executed by an officer of, or other authorized person designated by, the Purchaser, and (iii) to the effect that (A) the Shares have been sold in accordance with the Registration Statement and (B) the requirement of delivering a current prospectus has been satisfied; (2) an opinion of counsel reasonably satisfactory to the Company stating that registration is not required under the Securities Act; or

(3) evidence reasonably satisfactory to the Company that all applicable requirements of Rule 144 promulgated under the Securities Act with respect to such proposed transfer have been satisfied.

(c) The Purchaser further represents and warrants to, and covenants with, the Company that (i) the Purchaser has full right, power, authority and capacity to enter into this Stock Purchase Agreement and to consummate the transactions contemplated hereby and has taken all necessary action to authorize the execution, delivery and performance of this Stock Purchase Agreement, and (ii) upon the execution and delivery hereof, this Stock Purchase Agreement shall constitute a valid and binding obligation of the Purchaser enforceable in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' and contracting parties' rights generally and except as enforceability may be subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and except as the indemnification and contribution agreements of the Purchaser in Section 7.11 hereof may be legally unenforceable.

SECTION 6. Survival of Representations, Warranties and Agreements. Notwithstanding any investigation made by any party to this Stock Purchase Agreement, all covenants, agreements, representations and warranties made by the Company and the Purchaser herein and in the certificates for the shares of Common Stock delivered pursuant hereto shall survive for a period of one year following the execution of this Stock Purchase Agreement, the delivery to the Purchaser of the shares of Common Stock being purchased and the payment therefor.

SECTION 7. Registration of the Shares; Compliance with the Securities Act.

7.1 Registration Procedures. The Company shall use its best efforts:

(a) subject to Section 7.5 below, to prepare and file with the Commission within thirty (30) business days of the Closing Date a Registration Statement on Form S-3 (the "Registration Statement") for the resale of the Shares by the Purchaser from time to time through the automated quotation system of the Nasdaq National Market System or in privately-negotiated transactions;

(b) to cause the Registration Statement to become effective as soon as possible after filing thereof, subject to receipt of necessary information from the Purchaser;

(c) subject to Section 7.5 below, to promptly prepare and file with the Commission such amendments and supplements to the Registration Statement and the prospectus used in connection therewith as may be

necessary to keep the Registration Statement effective for a period not exceeding the third anniversary of the Closing Date as is required for the intended method of distribution, or such shorter period which will terminate when all the Shares covered by such Registration Statement have been sold pursuant to such Registration Statement or withdrawn; provided, however, that in no event shall the Company be obligated to keep the Registration Statement effective once the Shares are no longer subject to restrictions as to volume under Rule 144 of the Securities Act of 1933, as amended;

(d) to promptly furnish to the Purchaser with respect to the Shares registered under the Registration Statement (and to each underwriter, if any, of such Shares) such number of copies of the Registration Statement and any amendment thereof and of prospectuses and preliminary prospectuses in conformity with the requirements of the Securities Act and such other documents as the Purchaser may reasonably request, in order to keep the Purchaser apprised of the progress of the registration process and to facilitate the public sale or other disposition of all or any of the Shares by the Purchaser; and

(e) to promptly inform the Purchaser when any stop order by the Commission has been issued with respect to the Purchaser's Shares and use its best efforts to promptly cause such stop order to be withdrawn.

A questionnaire related to the Registration Statement to be completed by the Purchaser is attached hereto as a part of Appendix I.

7.2 State Securities Laws. The Company shall use its best efforts to promptly file documents required of the Company for normal blue sky clearance in states specified in writing by the Purchaser and reasonably required by the Purchaser in order to resell its Shares, provided, however, that the Company shall not be required to qualify to do business or consent to service of process in any jurisdiction in which it is not now so qualified or has not so consented.

7.3 Expenses and No Brokers.

(a) Expenses. The Company shall bear all expenses in connection with the procedures in paragraphs (a) through (e) of this Section 7.1, Section 7.2 and the registration of the Shares pursuant to the Registration Statement, other than fees and expenses, if any, of counsel or other advisors to the Purchaser, provided that the Company shall pay at the Closing, all of the attorneys fees and travel expenses incurred by Anisfield Investments Ltd. up to a maximum of $10,000 in connection with the placement of the shares.

(b) No Brokers. Neither the Company nor the Purchaser(s) have taken any action which would give rise to any claim by any person(s) or brokerage commissions, finder's fees or similar payments by the Company or the Purchaser(s) for the transaction contemplated herein, except for dealings with Anisfield Investments Ltd., whose fees will be paid by the Company.

7.4 Listing. The Company shall use its best efforts to take such action as may be necessary to cause all Shares to be listed or otherwise eligible for full trading privileges on the Nasdaq National Market ("Nasdaq") or, if the Common Stock is not listed on Nasdaq, on such other securities exchange or quotation system on which the Common Stock is traded. The Company shall use its best efforts to continue the listing or trading privilege for all Shares on each such exchange or quotation system.

7.5 Penalty for Delay of Registration Statement's Effective Date. In the event the Registration Statement has not become effective within 90 days after initial filing thereof, for each thirty (30) day period (a "Penalty Period") during which the Shares remain unregistered, the Company shall issue or pay, as applicable, to the Purchaser within three (3) trading days of the end of each such Penalty Period, at the Company's election, either: (i) a number of additional shares of Common Stock equal to 1 1/2% (the "Payment Amount") of the aggregate purchase price paid for all Shares purchased by such Purchaser hereunder, divided by the Market Value (as defined hereinafter), as of the last trading day of the Penalty Period, of a share of Common Stock (the "Penalty Shares") or (ii) a cash payment equal to the Payment Amount; provided, however, that in no event will the number of Shares issued pursuant to the Agreements in the aggregate exceed 19.9% of the total number of shares of Common Stock outstanding on the Closing Date (the "Maximum Percentage"), and if such number of Shares to be issued pursuant to the Agreements in the aggregate exceeds the Maximum Percentage, the Company shall pay the Purchaser a cash payment equal to the Market Value, as of the last trading day of the Penalty Period, of a share of Common Stock multiplied by the number of Penalty Shares which would have resulted in exceeding the Maximum Percentage; and provided further, however, that in no event shall the total amount of all payments under this Section exceed 7.5% of the aggregate purchase price paid for all shares purchased by such Purchaser hereunder, with Penalty Shares valued as of the date of issuance as provided herein. For purposes of this Agreement, the "Market Value" of a share of Common Stock shall be the average high and low sales prices of the Common Stock on the Nasdaq National Market on the last trading day in the relevant Penalty Period.

7.6 Suspension of Registration Requirement.

(a) The Company shall promptly notify the Purchaser of, and confirm in writing, the issuance by the SEC of any stop order suspending the effectiveness of a Registration Statement or the initiation of any proceedings for that purpose. The Company shall use reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of a Registration Statement at the earliest possible moment.

(b) Notwithstanding anything to the contrary set forth in this Agreement, the Company's obligation under this Agreement to file a Registration Statement and cause any filings with any state securities commission to be made and to use reasonable efforts to cause a Registration Statement or any such state securities commission filings to become effective or to amend or supplement a Registration Statement shall be suspended in the event and during such period pending negotiations relating to, or consummation of, a transaction or the occurrence of an event that would require additional disclosure of material information by the Company in the Registration Statement or such filing, as to which the Company has a bona fide business purpose for preserving confidentiality or which renders the Company unable to comply with SEC requirements (such circumstances being hereinafter referred to as a "Suspension Event") that would make it impractical or unadvisable to cause the Registration Statement or such filings to be made or to become effective or to amend or supplement the Registration Statement, but such suspension shall continue only for so long as such event or its effect is continuing but in no event will the total number of days of suspension exceed 120 days in any twelve month period (the period of any suspension, a "Suspension Period"). The Company shall notify promptly each of the Purchaser in writing of the existence of any Suspension Event.

(c) The Purchaser agrees, if requested by the Company's underwriters or financial advisors (the "Advisors") in an offering of the Company's securities pursuant to a registration statement filed with the SEC (an "Offering"), not to effect any public sale or distribution of any shares of Common Stock of the Company, including a sale pursuant to Rule 144 or Rule 144A under the Securities Act, during the 15-day period prior to, and during the 90-day period beginning on, the date of pricing of each Offering.

7.7 Black-Out Period. Following the effectiveness of any Registration Statement and the filings with any state securities commissions, the Purchaser agrees that it will not effect any sales of any of the shares of Common Stock pursuant to the Registration Statement or any such filings at any time after it has received notice from the Company to suspend sales as a result of the occurrence or existence of any Suspension Event or any Offering, or so that the Company may correct or update the Registration Statement or such filing (a "Black-Out Period"); provided that the total number of days of all Black-Out Periods during any 12-month period shall not exceed 120. The Purchaser may recommence effecting sales of the Registrable Shares pursuant to the Registration Statement or such filings following further notice to such effect from the Company, which notice shall be given by the Company as soon as practicable but in no event later than five (5) business days after the conclusion of any such Suspension Event.

7.8 Additional Shares. The Company, at its option, may register, under any Registration Statement and any filings with any state securities commissions filed pursuant to this Agreement, any number of unissued shares of Common Stock or any shares of Common Stock owned by any other shareholder or shareholders of the Company.

7.9 Exchange of Legended Certificates. Following the effective date of the Registration Statement, unless at such time a stop order is imposed by the Commission or the effectiveness of the Registration Statement is for any other reason suspended as permitted by Section 5(b) herein, all requirements with respect to legends on the certificates evidencing the Shares will cease to apply on the sale thereof, and certificated Shares without legends will be available to the Purchaser within three (3) trading days after the Company's receipt of a request for such unlegended certificates and Purchaser's surrender of the legend certificate to the Company's transfer agent.

7.10 Transfer of Shares. The Purchaser agrees that it will not effect any disposition of the Shares or its right to purchase the Shares that would constitute a sale within the meaning of the Securities Act except as contemplated in the Registration Statement referred to in Section 7.1 or pursuant to an exemption from registration under the Securities Act. The Purchaser agrees that it will promptly notify the Company of any changes in the information set forth in the Registration Statement regarding the Purchaser or its Plan of Distribution.

7.11 Indemnification and Contribution.

(a) The Company agrees to indemnify and hold harmless the Purchaser and its respective officers, directors, agents, representatives and affiliates (an "Indemnitee") from and against any losses, claims, damages or liabilities to which such Indemnitee may become subject (under the Securities Act or otherwise) insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) arise out of, or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or any prospectus contained therein or in any information incorporated by reference therein, or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading or arise out of any failure by the Company to fulfill any undertaking included in the Registration Statement, and the Company will reimburse such Indemnitee for any reasonable legal or other expenses reasonably incurred in investigating, defending or preparing to defend any such action, proceeding or claim, provided, however, that the Company shall not be liable in any such case to the extent that such loss, claim, damage or liability arises out of, or is based upon, any such untrue statement or omission made in such Registration Statement, any preliminary prospectus, final prospectus, summary prospectus, amendment or supplement in reliance upon and in conformity with written information furnished to the Company by or on behalf of such Indemnitee specifically for use in preparation of the Registration Statement, or the failure of such Indemnitee to comply with the covenants and agreements contained in Sections 5(b) or 7.10 hereof respecting sale of the Shares or any statement or omission in any Prospectus that is corrected in any subsequent Prospectus that was delivered to the Purchaser prior to the pertinent sale or sales by the Purchaser.

(b) The Purchaser agrees to indemnify and hold harmless the Company (and each person, if any, who controls the Company within the meaning of Section 15 of the

Securities Act, each officer of the Company who signs the Registration Statement and each director of the Company) from and against any losses, claims, damages or liabilities to which the Company (or any such officer, director or controlling person) may become subject (under the Securities Act or otherwise), insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) that arise out of, or are based upon, any failure to comply with the covenants and agreements contained in Sections 5(b) or 7.10 hereof respecting sale of the Shares, or any untrue statement of a material fact contained in the Registration Statement on the effective date thereof if such untrue statement was made in reliance upon and in conformity with written information furnished by or on behalf of the Purchaser specifically for use in preparation of the Registration Statement, provided, however, that such Purchaser shall not be liable in any such case to the extent that the Purchaser has furnished in writing to the Company information expressly for use in such Registration Statement or any amendment thereof or supplement thereto which corrected or made not misleading, information previously furnished to the Company prior to the filing of the Registration Statement, and if thereafter, has notified the Company of such information immediately upon its occurrence or the Purchaser's knowledge of its occurrence. The Purchaser will reimburse the Company (or such officer, director or controlling person), as the case may be, for any legal or other expenses reasonably incurred in investigating, defending or preparing to defend any such action, proceeding or claim. In no event shall the liability of the Purchaser hereunder be greater in amount than the dollar amount of the proceeds received by such holder upon the sale of the Shares giving rise to such indemnification obligation.

Promptly after receipt by any indemnified person of a notice of a claim or the beginning of any action in respect of which indemnity is to be sought against an indemnifying person pursuant to this Section 7.11, such indemnified person shall notify the indemnifying person in writing of such claim or of the commencement of such action (but the failure to so notify the indemnifying person will not relieve the indemnifying person from any liability except to the extent that the indemnifying person shall have been prejudiced as a result of the failure or delay in giving such notice), and, subject to the provisions hereinafter stated, in case any such action shall be brought against an indemnified person and such indemnifying person shall be entitled to participate therein, and, to the extent it shall wish, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified person. After notice from the indemnifying person to such indemnified person of its election to assume the defense thereof, such indemnifying person shall not be liable to such indemnified person for any legal expenses subsequently incurred by such indemnified person in connection with the defense thereof, provided, however, that if there exists or shall exist a conflict of interest that would make it inappropriate, in the opinion of counsel to the indemnified person, for the same counsel to represent both the indemnified person and such indemnifying person or any affiliate or associate thereof, the indemnified person shall be entitled to retain its own counsel at the expense of such indemnifying person; provided, however, that no indemnifying person shall be responsible for the fees and expenses of more than one separate counsel for all indemnified parties.

If the indemnification provided for in this Section 7.11 from the indemnifying person is unavailable to an indemnified person hereunder in respect of any losses, claims, damages, liabilities or expenses referred to herein, then the indemnifying person, in lieu of indemnifying such indemnified person, shall contribute to the amount paid or payable by such indemnified person as a result of such losses, claims, damages, liabilities or expenses in such proportion as is appropriate to reflect the relative fault of the indemnifying person and indemnified persons in connection with the actions which resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The relative fault of such indemnifying person and indemnified persons shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact, has been made by, or relates to information supplied by, such indemnifying person or indemnified persons, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action. The amount paid or payable by a party as a result of the losses, claims, damages, liabilities and expenses referred to above shall be deemed to include, subject to the limitations set forth in this Section 7.11, any reasonable legal or other fees or expenses reasonably incurred by such party in connection with any investigation or proceeding.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 7.11 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 7.11, no Purchaser shall be required to contribute any amount in excess of the dollar amount of the proceeds received by such Purchaser upon the sale of the Shares giving rise to such contribution obligation. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

7.12 Termination of Conditions and Obligations. The conditions precedent imposed by Section 5 or this Section 7 upon the transferability of the Shares shall cease and terminate as to any particular number of the Shares when such Shares shall have been effectively registered under the Securities Act and sold or otherwise disposed of in accordance with the intended method of disposition set forth in the Registration Statement covering such Shares or at such time as an opinion of counsel satisfactory to the Company shall have been rendered to the effect that such conditions are not reasonably necessary in order to comply with the Securities Act.

7.13 Information Available. So long as the Registration Statement is effective covering the resale of Shares owned by the Purchaser, the Company will furnish to the Purchaser:

(a) as soon as practicable after available (but in the case of the Company's Annual Report to Shareholders, within one hundred twenty (120) days

after the end of each fiscal year of the Company), one copy of (i) its Annual Report to Shareholders (which Annual Report shall contain financial statements audited in accordance with generally accepted accounting principles by a national firm of certified public accountants), (ii) if not included in substance in the Annual Report to Shareholders, its Annual Report on Form 10-K, (iii) its Quarterly Reports to Shareholders, (iv) if not included in substance in its Quarterly Reports to Shareholders, its quarterly reports on Form 10-Q, and (v) a full copy of the particular Registration Statement covering the Shares (the foregoing, in each case, excluding exhibits);

(b) upon the reasonable request of the Purchaser, all exhibits excluded by the parenthetical to subparagraph (a)(v) of this Section 7.14 and all other information that is made available to shareholders; and

(c) upon the reasonable request of the Purchaser, an adequate number of copies of the prospectuses to supply to any other party requiring such prospectuses.

7.14 No Other Obligation to Register. Except as otherwise expressly provided in this Agreement, the Company shall have no obligation to the Purchaser to register the Shares.

SECTION 8. Notices. All notices, requests, consents and other communications hereunder shall be in writing, shall be mailed by first-class registered or certified airmail, or nationally recognized overnight express courier postage prepaid, and shall be deemed given when so mailed and shall be delivered as addressed as follows:

(a) if to the Company, to:

T Cell Sciences, Inc.
119 Fourth Avenue
Needham, Massachusetts 02194
Attn: Chief Financial Officer

(b) with a copy mailed to:

Goodwin, Procter & Hoar LLP
Exchange Place
Boston, Massachusetts 02109
Attn: Stuart M. Cable, Esq.

or to such other person at such other place as the Company shall designate to the Purchaser in writing;

(c) if to the Purchaser, at its address as set forth at the end of this Stock Purchase Agreement, or at such other address or addresses as may have been furnished to the Company in writing; and

(d) with a copy mailed to:

Anisfield Investments Ltd.
c/o Kenneth Sirlin, P.C.
The Trump Building
40 Wall Street
59th Floor
New York, New York 10005

SECTION 9. Changes. This Stock Purchase Agreement may not be modified or amended except pursuant to an instrument in writing signed by the Company and the Purchaser.

SECTION 10. Headings. The headings of the various sections of this Stock Purchase Agreement have been inserted for convenience of reference only and shall not be deemed to be part of this Stock Purchase Agreement.

SECTION 11. Severability. In case any provision contained in this Stock Purchase Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

SECTION 12. Governing Law. This Stock Purchase Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts and the federal law of the United States of America.

SECTION 13. Counterparts. This Stock Purchase Agreement may be executed in two or more counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute but one instrument, and shall become effective when one or more counterparts have been signed by each party hereto and delivered to the other parties.

[Remainder of Page Intentionally Left Blank]

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

T CELL SCIENCES, INC.

By:

Print or Type: Una S. Ryan, Ph.D., President and Chief Executive Officer

[PURCHASERS]

Name of Purchaser
(Individual or Institution):

Nameof Individual representing
Purchaser (if an Institution):

Title of Individual representing Purchaser:

Signature by: Individual Purchaser or Individual representing Purchaser:

Address:

Telephone:

Fax:

APPENDIX I
(one of three)

T CELL SCIENCES, INC.

PROSPECTIVE INVESTOR QUESTIONNAIRE

The Shares are being offered for sale to "accredited investors" as that term is defined in Rule 501 under the Securities Act of 1933, as amended (the "Act").

The undersigned entity certifies that it (and each managed account on whose behalf Investor Shares are being purchased by it) is an "accredited investor" because it is (check one or more items below):

- ---------- 1. a bank as defined in section 3(a)(2) of the Act whether acting in its individual or fiduciary capacity;

- --------- 2. a savings and loan association or other institution as defined in section 3(a)(5)(A) of the Act whether acting in its individual or fiduciary capacity;

- --------- 3. a broker dealer registered pursuant to section 15 of the Securities Exchange Act of 1934, as amended;

- --------- 4. an insurance company as defined in section 2(13) of the Act;

- --------- 5. an investment company registered under the Investment Company Act of 1940, as amended (the "1940 Act");

- --------- 6. a business development company as defined in section 2(a)(48) of the 1940 Act;

- --------- 7. a Small Business Investment Company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the Small Business Investment Act of 1958;

- --------- 8. a plan established and maintained by a state or its political subdivision for the benefit of its employees, provided that such plan has total assets in excess of $5,000,000;

- --------- 9. a corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the Investor Shares, with total assets in excess of $5,000,000;

- --------- 10. an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974 ("ERISA"), provided that the investment decision is made by a plan fiduciary, as defined in section 3(21) of ERISA, and the plan fiduciary is either a bank, savings and loan association, insurance company or registered investment adviser or provided that the employee benefit plan has total assets in excess of $5,000,000; or if a self-directed plan, with investment decisions made solely by persons that are accredited investors;

- --------- 11. a private business development company as defined in section 202(a)(22) of the Investment Advisers Act of 1940;

- --------- 12. an organization described in section 501(c)(3) of the Internal Revenue Code, not formed for the specific purpose of acquiring the Investor Shares, with total assets in excess of $5,000,000;

- --------- 13. a director or executive officer, or general partner of the Company;

- --------- 14. a trust, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the Investor Shares, and the purchase of the Investor Shares is directed by a sophisticated person as described in Rule 506(b)(2)(ii) under the Act;

- --------- 15. a natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds $1,000,000;

- --------- 16. a natural person who had an individual income in excess of $200,000 in each of 1994 and 1995 or joint income with that person's spouse in excess of $300,000 in each of those years and has a reasonable expectation of reaching the same income level in 1996;

- --------- 17. an entity in which all of the equity owners are accredited investors (described in any of (a) - (p) above).

INVESTOR:

By:

Name:
Title:

APPENDIX I
(two of three)

T CELL SCIENCES, INC.

STOCK CERTIFICATE QUESTIONNAIRE

Pursuant to Section 3 of the Stock Purchase Agreement, please provide us with the following information:

1. The exact name that your Shares are to be registered in (this is the name that will appear on your stock certificate(s)). You may use a nominee name if appropriate: ----------

2. The relationship between the Purchaser of the Shares and the Registered Holder listed in response to item 1 above: ----------

3. The mailing address of the Registered Holder listed in response to item 1 above: ----------

4. The Social Security Number or Tax Identification Number of the Registered Holder listed in response to item 1 above: ----------

5. The address, telephone and fax number of your escrow agent, and the name of a contact person: ----------

APPENDIX I
(three of three)

T CELL SCIENCES, INC.

REGISTRATION STATEMENT QUESTIONNAIRE

In connection with the preparation of the Registration Statement, please provide us with the following information:

1. Pursuant to the "Selling Shareholder" section of the Registration Statement, please state your or your organization's name exactly as it should appear in the Registration Statement:

2. Please provide the following information, as of _____, 1998:

(1)	(2)
Number of Shares which are being included in the Registration Statement (if all purchased, put all)	Number of shares if any, which will be owned after completion of sale of Shares included in the Registration Statement
---	---

2. Have you or your organization had any position, office or other material relationship within the past three (3) years with the Company or its affiliates other than as disclosed in the Prospectus included in the Registration Statement?

___ Yes ___ No

If yes, please indicate the nature of any such relationship below:

APPENDIX II

Attention:

PURCHASER'S CERTIFICATE OF SUBSEQUENT SALE

The undersigned, [an officer of, or other person duly authorized by] _____ [fill in official name of individual or institution] hereby certifies that he/she [said institution] is the Purchaser of the shares evidenced by the attached certificate, and as such, sold such shares on _____ [date] in accordance with registration statement number _____ [fill in the number of or otherwise identify registration statement] and the requirement of delivering a current prospectus and current annual and quarterly reports by the Company has been complied with in connection with such sale.

Print or Type:

Name of Purchaser (Individual or Institution) _____

Name of Individual representing Purchaser (if an Institution): _____

Title of Individual representing Purchaser (if an Institution): _____

Signature by:

Individual Purchaser or Individual representing Purchaser: _____

EXHIBIT 5.1

[Letterhead of Goodwin, Procter & Hoar LLP]

June 11, 1998

T Cell Sciences, Inc.
119 Fourth Avenue
Needham, Massachusetts 02194

Ladies and Gentlemen:

This opinion is furnished in our capacity as counsel to T Cell Sciences, Inc., a Delaware corporation (the "Company"), in connection with the registration, pursuant to the Securities Act of 1933 (the "Securities Act"), of 1,968,494 shares (the "Shares") of common stock, par value $.001 per share, of the Company.

In connection with rendering this opinion, we have examined the Certificate of Incorporation and the Bylaws of the Company, each as amended to date; such records of the corporate proceedings of the Company as we have deemed material; a registration statement on Form S-3 under the Securities Act relating to the Shares and the prospectus contained therein; and such other certificates, receipts, records and documents as we considered necessary for the purposes of this opinion.

We are attorneys admitted to practice in the Commonwealth of Massachusetts. We express no opinion concerning the laws of any jurisdiction other than the laws of the United States of America and the Commonwealth of Massachusetts and the Delaware General Corporation Law.

Based upon the foregoing, we are of the opinion that the Shares are duly authorized, legally issued, fully paid and nonassessable by the Company under the Delaware General Corporation Law.

The foregoing assumes that all requisite steps will be taken to comply with the requirements of the Securities Act and applicable requirements of state laws regulating the offer and sale of securities.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the reference to our firm under the caption "Legal Matters" in the Prospectus.

Very truly yours,

/s/ Goodwin, Procter & Hoar LLP

GOODWIN, PROCTER & HOAR LLP

EXHIBIT 23.1

Consent of Independent Accountants

We hereby consent to the incorporation by reference in the Prospectus constituting part of this Registration Statement on Form S-3 of T Cell Sciences, Inc. of our report dated March 25, 1998, appearing in the Annual Report on Form 10-K for the year ended December 31, 1997. We also consent to the reference to us under the heading "Experts" in such Prospectus.

/s/ Price Waterhouse LLP

Boston, Massachusetts
June 11, 1998