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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended March 31, 2012

Commission File Number: 001-35060

PACIRA PHARMACEUTICALS, INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**51-0619477**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

5 Sylvan Way, Suite 100
Parsippany, New Jersey 07054
(973) 254-3560
(Address of Principal Executive Offices, Including Zip Code)
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files.) ☒ Yes ☐ No

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

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

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

As of May 2, 2012, 32,315,166 shares of the registrant's common stock, $0.001 par value per share, were outstanding.

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PART I. FINANCIAL INFORMATION

Item 1. ***Financial Statements***

PACIRA PHARMACEUTICALS, INC.
CONSOLIDATED BALANCE SHEETS

(Unaudited)
(In thousands, except share and per share amounts)

	March 31, 2012	December 31, 2011 (Note 2)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 25,213	$ 46,168
Restricted cash	—	1,299
Short-term investments	29,617	29,985
Trade accounts receivable	860	2,113
Inventories	5,078	1,245
Prepaid expenses and other current assets	1,496	1,839
Total current assets	62,264	82,649
Fixed assets, net	26,492	25,103
Intangibles, net	4,746	5,259
Other assets, net	762	479
Total assets	$ 94,264	$ 113,490
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 2,302	$ 3,440
Accrued expenses	7,040	7,159
Current portion of royalty interest obligation	1,221	1,219
Current portion of deferred revenue	7,231	13,054
Current portion of long-term debt	1,364	7,039
Total current liabilities	19,158	31,911
Long-term debt	23,632	18,537
Royalty interest obligation	1,442	1,537
Deferred revenue	8,073	8,416
Contingent purchase liability	2,042	2,042
Other liabilities	2,675	2,778
Total liabilities	57,022	65,221
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, par value $0.001; 5,000,000 shares authorized, none issued and outstanding	—	—
Common stock, par value $0.001 par value; 250,000,000 shares authorized, 25,414,231 shares issued and 25,413,166 shares outstanding at March 31, 2012; 25,340,103 shares issued and 25,339,038 shares outstanding at December 31, 2011	25	25
Additional paid-in capital	229,335	228,470
Accumulated deficit	(192,133)	(180,239)
Accumulated other comprehensive income	17	15
Treasury stock at cost, 1,065 shares	(2)	(2)
Total stockholders' equity	37,242	48,269
Total liabilities and stockholders' equity	$ 94,264	$ 113,490

See accompanying condensed notes to consolidated financial statements.

PACIRA PHARMACEUTICALS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)
(In thousands, except share and per share amounts)

	Three Months Ended March 31,	
	2012	**2011**
Revenues:		
Supply and royalty revenue	$ 1,314	$ 2,653
Collaborative licensing and development revenue	6,490	1,210
Total revenues	7,804	3,863
Operating expenses:		
Cost of revenues	6,495	3,667
Research and development	1,294	3,795
Selling, general and administrative	11,152	3,523
Total operating expenses	18,941	10,985
Loss from operations	(11,137)	(7,122)
Other (expense) income:		
Interest income	63	29
Interest expense	(514)	(2,481)
Royalty interest obligation	(282)	(311)
Other, net	(24)	110
Total other expense, net	(757)	(2,653)
Net loss	$ (11,894)	$ (9,775)
Net loss per share:		
Basic and diluted net loss per common share	$ (0.47)	$ (0.98)
Weighted average common shares outstanding:		
Basic and diluted	25,367,306	10,014,042

See accompanying condensed notes to consolidated financial statements.

PACIRA PHARMACEUTICALS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(Unaudited)
(In thousands)

	Three Months Ended March 31,	
	2012	2011
Net loss	$ (11,894)	$ (9,775)
Other comprehensive income:		
Net unrealized gain on investments	2	—
Total other compehensive income, net of tax	2	—
Comprehensive loss	$ (11,892)	$ (9,775)

See accompanying condensed notes to consolidated financial statements.

PACIRA PHARMACEUTICALS, INC.
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

For the Three Months Ended March 31, 2012
(Unaudited)
(In thousands)

	Common Stock		Additional Paid-In	Accumulated	Treasury	Accumulated Other Comprehensive	
	Shares	Amount	Capital	Deficit	Stock	Income	Total
Balances at December 31, 2011	25,339	$ 25	$ 228,470	$ (180,239)	$ (2)	$ 15	$ 48,269
Exercise of stock options	74	—	153	—	—	—	153
Stock-based compensation	—	—	712	—	—	—	712
Unrealized gain on short-term investments	—	—	—	—	—	2	2
Net loss	—	—	—	(11,894)	—	—	(11,894)
Balances at March 31, 2012	25,413	$ 25	$ 229,335	$ (192,133)	$ (2)	$ 17	$ 37,242

See accompanying condensed notes to consolidated financial statements.

PACIRA PHARMACEUTICALS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)
(In thousands)

	Three Months Ended March 31,	
	2012	2011
Operating activities:		
Net loss	$ (11,894)	$ (9,775)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,380	990
Amortization of deferred financing costs and unfavorable lease obligation	(56)	28
Amortization of note discounts and warrants	103	1,193
Stock-based compensation	712	972
Change in royalty interest obligation	(93)	(76)
Changes in operating assets and liabilities:		
Restricted cash	1,299	1,314
Trade accounts receivable	1,253	(619)
Inventories	(3,833)	(173)
Prepaid expenses and other assets	366	(337)
Accounts payable and accrued expenses	(613)	828
Other liabilities	(3)	668
Deferred revenue	(6,166)	1,000
Net cash used in operating activities	(17,545)	(3,987)
Investing activities:		
Purchase of fixed assets	(2,901)	(832)
Proceeds from sale of short-term investments	371	—
Net cash used in investing activities	(2,530)	(832)
Financing activities:		
Proceeds from exercise of stock options	153	1
Proceeds from initial public offering, net	—	38,016
Repayment of debt	(685)	—
Financing costs	(348)	—
Net cash (used in) provided by financing activities	(880)	38,017
Net (decrease) increase in cash and cash equivalents	(20,955)	33,198
Cash and cash equivalents, beginning of period	46,168	26,133
Cash and cash equivalents, end of period	$ 25,213	$ 59,331
Supplemental cash flow information		
Cash paid for interest, including royalty interest obligation	$ 1,168	$ 1,175
Initial public offering costs paid in 2010	—	907
Non cash investing and financing activities:		
Conversion of notes to common stock	$ —	$ 51,222
Conversion of preferred stock to common stock	—	6

See accompanying condensed notes to consolidated financial statements.

PACIRA PHARMACEUTICALS, INC.
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

Note 1—DESCRIPTION OF BUSINESS

Pacira Pharmaceuticals, Inc. and its subsidiaries (collectively, the "Company" or "Pacira") is an emerging specialty pharmaceutical company focused on the development, commercialization and manufacture of proprietary pharmaceutical products, based on its proprietary DepoFoam extended release drug delivery technology, for use in hospitals and ambulatory surgery centers. The Company's lead product EXPAREL, which consists of bupivacaine encapsulated in DepoFoam, was approved by the United States Food and Drug Administration, or FDA, on October 28, 2011. DepoFoam is also the basis for the Company's other two FDA-approved commercial products, DepoCyt(e) and DepoDur, which the Company manufactures for its commercial partners.

Pacira Pharmaceuticals, Inc. is the holding company for the California operating subsidiary of the same name, which is also referred to as PPI-California, which was acquired from Skyepharma Holding, Inc. in March 2007, referred to herein as the Acquisition.

Note 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP, and in accordance with the rules and regulations of the Securities and Exchange Commission, or SEC, for interim reporting. Pursuant to these rules and regulations, certain information and footnote disclosures normally included in complete annual financial statements have been condensed or omitted. Therefore, these interim financial statements should be read in conjunction with the audited annual consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2011, filed with the SEC on March 27, 2012.

The consolidated financial statements at March 31, 2012 and for the three months ended March 31, 2012 and 2011 are unaudited, but include all adjustments (consisting of only normal recurring adjustments) which, in the opinion of management, are necessary to present fairly the financial information set forth herein in accordance with GAAP. The balance sheet as of December 31, 2011 has been derived from the audited financial statements included in the Form 10-K for that year. Certain reclassifications were made to conform to the current presentation. Specifically, for the three months ended March 31, 2011, the Company reclassified $0.3 million of stock-based compensation expense from selling, general and administrative expense to research and development expense. This reclassification had no impact on net loss or stockholders' equity as previously reported. The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. Intercompany accounts and transactions have been eliminated in consolidation.

The results of operations for the interim periods are not necessarily indicative of results that may be expected for any other interim period or for the full year. The Company has incurred losses and negative operating cash flow since inception and future losses are anticipated.

Liquidity

Management believes that the Company's existing cash and cash equivalents, including the $63 million raised in April 2012 (see Note 11, Subsequent Events), short-term investments and revenue from product sales will be sufficient to enable the Company to meet its planned operating expenses, capital expenditure requirements and service its indebtedness through the next twelve months. However, changing circumstances may cause the Company to expend cash significantly faster than currently anticipated, and the Company may need to spend more cash than currently expected because of circumstances beyond its control. The Company expects to continue to incur substantial additional operating losses as it commercializes EXPAREL and develops and seeks regulatory approval for its product candidates.

Concentration of Major Customers

The Company's customers are its commercial, distribution and licensing partners. The table below includes the percentage of revenue comprised by the three largest customers in each year presented.

	Three Months Ended	
	March 31, 2012	March 31, 2011
Largest customer	75%	41%
Second largest customer	10%	26%
Third largest customer	6%	16%
	91%	83%

No other individual customer accounted for more than 10% of the Company's revenues for these periods. The Company is dependent on its commercial partners to market and sell DepoCyt(e) and DepoDur, from which a substantial portion of its revenues is derived. The Company's future revenues from these products are highly dependent on commercial and distribution arrangements.

On January 3, 2012, EKR Therapeutics, Inc, or EKR, delivered a notice to the Company to terminate the licensing, distribution and marketing agreement relating to DepoDur. Pursuant to the terms of the agreement, the termination of the agreement will be effective 180 days from the date of the notice or July 1, 2012. Pursuant to the terms of the agreement, the associated supply agreement will also terminate concurrently with the termination of the agreement. As a result of the termination, the Company is recognizing any unamortized deferred revenue relating to the EKR contract on a straight-line basis through the termination date in July 2012. During the three months ended March 31, 2012, the Company recognized $5.8 million of milestone revenue relating to the EKR agreement in collaborative licensing and development revenue on the consolidated statements of operations.

Note 3— FINANCIAL INSTRUMENTS

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction. To increase consistency and comparability in fair value measurements, the Financial Accounting Standards Board, or FASB, established a three-level hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels are:

- Level 1—Values are unadjusted quoted prices for identical assets and liabilities in active markets.
- Level 2—Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument.
- Level 3—Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement.

The carrying value of financial instruments including cash and cash equivalents, restricted cash, accounts receivable and accounts payable approximate their respective fair values due to the short-term maturities of these instruments and debts. The fair value of the Company's long-term debt is calculated using a discounted cash flow analysis factoring in current market borrowing rates for similar types of borrowing arrangements under a similar credit profile. The carrying amount and fair value of the Company's long-term debt is as follows (in thousands):

Financial Liabilities	Carrying Value	Fair Value Measurements Using Level 1	Level 2	Level 3
March 31, 2012				
Long-term debt- current and long-term	$ 25,565	$ —	$ 27,016	$ —
December 31, 2011		—	—	—
Long-term debt- current and long-term	$ 26,250	$ —	$ 27,929	$ —

Short-term investments consist of investment grade commercial paper and corporate bonds with initial maturities of greater than three months at the date of purchase but less than one year. The net unrealized gains (losses) from the Company's short-term investments are captured in other comprehensive loss. All of the Company's short-term investments are classified as available for sale investments and determined to be Level 2 instruments. The fair value of the commercial paper is measured based on a standard industry model that uses the 3-month Treasury bill rate as an observable input. The fair value of the corporate bonds is principally measured or corroborated by trade data for identical issues or that of comparable securities in which related trading activity is not sufficiently frequent to be considered a Level 1 input. At March 31, 2012, the Company had $29.6 million invested in short-term investments which were rated A or better by Standard & Poor's and had maturities ranging from 123 to 321 days from date of purchase.

The following summarizes the Company's short-term investments at March 31, 2012 and December 31, 2011 (in thousands):

March 31, 2012	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value (Level 2)
Debt securities:				
Commercial Paper	$ 13,225	$ 13	$ —	$ 13,238
Corporate Bonds	16,375	4	—	16,379
Total	$ 29,600	$ 17	$ —	$ 29,617

December 31, 2011	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value (Level 2)
Debt securities:				
US Treasury Securities	$ 1,000	$ —	$ —	$ 1,000
Commercial Paper	11,476	23	—	11,499
Corporate Bonds	17,494	2	(10)	17,486
Total	$ 29,970	$ 25	$ (10)	$ 29,985

Credit Risk

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, short-term investments and accounts receivable. The Company maintains its cash and cash equivalents with high-credit quality financial institutions. At times, such amounts may exceed Federal insured limits.

As of March 31, 2012, two customers accounted for 59% and 37% of the Company's trade accounts receivable. As of December 31, 2011, two customers accounted for 56% and 41% of the Company's accounts receivable.

Note 4— INVENTORIES

The components of inventories were as follows (in thousands):

	March 31, 2012	December 31, 2011
Raw materials	$ 2,335	$ 862
Work-in-process	830	96
Finished goods	1,913	287
Total	$ 5,078	$ 1,245

Note 5—FIXED ASSETS

Fixed assets, at cost, summarized by major category, consist of the following (in thousands):

	March 31, 2012	December 31, 2011
Machinery and laboratory equipment	$ 12,358	$ 12,188
Computer equipment and software	1,179	1,133
Office furniture and equipment	406	352
Leasehold improvements	6,075	6,056
Construction in progress	15,617	13,656
Total	35,635	33,385
Less accumulated depreciation	(9,143)	(8,282)
Fixed assets, net	$ 26,492	$ 25,103

Depreciation expense was $0.9 million and $0.4 million for the three months ended March 31, 2012 and 2011, respectively. For the three months ended March 31, 2012, the Company capitalized interest of $0.4 million on the construction of its manufacturing sites. Capitalized interest was not material during the three months ended March 31, 2011.

Note 6—INTANGIBLE ASSETS

Intangible assets are summarized as follows (in thousands):

	March 31, 2012	December 31, 2011	Estimated Useful Life
Core Technology			
Gross amount	$ 2,900	$ 2,900	9 years
Accumulated amortization	(1,611)	(1,530)	
Net	1,289	1,370	
Developed Technology			
Gross amount	11,700	11,700	7 years
Accumulated amortization	(8,357)	(7,939)	
Net	3,343	3,761	
Trademarks and trade names			
Gross amount	400	400	7 years
Accumulated amortization	(286)	(272)	
Net	114	128	
Intangible assets, net	$ 4,746	$ 5,259	

Amortization expense for intangibles was $0.5 million and $0.6 million for the three months ended March 31, 2012 and 2011, respectively. Following the approval of EXPAREL by the FDA in October 2011, all intangible amortization is reflected in cost of revenues. Previously, amortization expenses associated with EXPAREL were included in research and development expenses.

The approximate amortization expense for intangibles, all of which are subject to amortization on a straight-line basis, is as follows (in thousands):

	Core Technology	Developed Technology	Trademarks and Tradenames	Total
2012 (remaining nine months)	$ 241	$ 1,253	$ 43	$ 1,537
2013	322	1,671	57	2,050
2014	322	419	14	755
2015	322	—	—	322
2016	82	—	—	82
Total	$ 1,289	$ 3,343	$ 114	$ 4,746

Note 7—DEBT AND FINANCING OBLIGATIONS

The composition of the Company's debt and financing obligations is as follows (in thousands):

	March 31, 2012	December 31, 2011
Financing obligations:		
Hercules Note, current portion	$ 1,364	$ 7,039
Hercules Note, long-term portion, net of debt discount	23,632	18,537
Royalty interest obligation, current portion	1,221	1,219
Royalty interest obligation, long-term portion	1,442	1,537
Total debt and financing obligations	$ 27,659	$ 28,332

The outstanding principal on the term loan, or the Hercules Note, under the credit facility with Hercules Technology Growth Capital, Inc. and Hercules Technology II, L.P., as lenders under the Hercules Credit Facility was $25.6 million and $26.3 million as of March 31, 2012 and December 31, 2011, respectively. At March 31, 2012, the blended interest rate on the Hercules Note was 11.94%.

The Hercules Note provided for an "interest only period" when no principal amounts were due and payable that expired on February 29, 2012. Following the end of the interest only period, the term loan is being repaid in 33 monthly installments of principal and interest beginning on the first business day after the month in which the interest only period ends. See Note 11, Subsequent Events for discussion of the refinancing of the Hercules Note.

Note 8—STOCKHOLDERS' EQUITY

Stock-Based Compensation

The Company recognized stock-based compensation expense in its consolidated statements of operations as follows (in thousands):

	Three Months Ended March 31,	
	2012	2011
Cost of revenues	$ 89	$ 83
Research and development	177	416
Selling, general and administrative	446	473
Total	$ 712	$ 972

The terms of the stock options granted in September and December 2010 stipulated that they may be exercised only upon the completion of an initial public offering. Consequently, the expense associated with these options was deferred until the successful completion of the Company's initial public offering in February 2011.

Stock Incentive Plans

The Company's 2011 stock incentive plan, or 2011 Plan, contains an "evergreen" provision, which allows for an increase in the number of shares available for issuance under the 2011 Plan on the first day of each calendar year from 2012 through 2015. On January 1, 2012, the evergreen provision increased the number of shares in the pool by 557,880 shares. The following table contains information about the Company's plans at March 31, 2012:

Plan	Awards Reserved for Issuance	Awards Issued	Awards Available for Grant
2011 Plan	992,347	544,084	448,263
2007 Plan	2,112,190	2,112,190	—
	3,104,537	2,656,274	448,263

The following table summarizes the Company's stock option activity and related information for the period from December 31, 2011 to March 31, 2012:

	Number of Shares	Weighted Average Exercise Price
Outstanding at December 31, 2011	2,337,017	$ 3.92
Granted	175,350	10.26
Exercised	(74,128)	2.07
Forfeited	(32,683)	5.94
Outstanding at March 31, 2012	2,405,556	4.41

Note 9—LOSS PER SHARE

Basic net loss per share is computed by dividing net loss applicable to common stockholders by the weighted average number of shares of common stock outstanding during the period. Diluted net loss per share is calculated by dividing net loss available to common stockholders by the weighted average number of common stock and dilutive common stock equivalents outstanding during the period. Potential common shares include the shares of common stock issuable upon the exercise of outstanding stock options and warrants (using the treasury stock method). Potential common shares in the diluted net loss per share computation are excluded to the extent that they would be anti-dilutive. No potentially dilutive securities are included in the

computation of any diluted per share amounts as the Company reported a net loss for all periods presented.

The following table sets forth the computation of basic and diluted loss per share for the three months ended March 31, 2012 and 2011 (in thousands except per share amounts):

	Three Months Ended	
	March 31, 2012	March 31, 2011
Numerator for basic and diluted loss per share		
Net loss	$ (11,894)	$ (9,775)
Denominator		
Weighted average shares of common stock outstanding	25,367	10,014
Effect of dilutive securities	—	—
Shares used for diluted earnings per share	25,367	10,014
Net loss per share		
Basic net loss per share of common stock	$ (0.47)	$ (0.98)
Diluted net loss per share of common stock	$ (0.47)	$ (0.98)

The stock options and warrants are excluded from the calculation of diluted loss per share because the net loss for the three months ended March 31, 2012 and 2011 causes such securities to be anti-dilutive. The potential dilutive effect of these securities is shown in the chart below (in thousands):

	Three Months Ended	
	March 31, 2012	March 31, 2011
Weighted average shares of common stock outstanding—basic	25,367	10,014
Stock options	1,163	1,285
Warrants	116	98
Weighted average shares of common stock -diluted	26,646	11,397

Note 10—RELATED PARTY TRANSACTIONS

In June 2011, the Company entered into an agreement with Gary Pace, a member of the Company's board of directors, to provide consulting services for manufacturing related activities. The fees payable under the agreement may not exceed $60,000 per year. The amount of fees incurred for the three months ended March 31, 2012 was not material. At March 31, 2012 and December 31, 2011, $20,000 and $5,000 was payable to the board member, respectively.

MPM Asset Management, or MPM, an investor in the Company, provides clinical management and subscription services to the Company. The Company incurred expenses of approximately $0.1 million for each of the three months ended March 31, 2012 and 2011. Approximately $0.1 million and $0.2 million was payable to MPM at March 31, 2012 and December 31, 2011, respectively.

The Company incurred expenses under the services agreement with Stack Pharmaceuticals, Inc., or SPI, an entity controlled by the Company's chief executive officer, of approximately $0.1 million for the three months ended March 31, 2011. In November 2011, the Company terminated its services agreement with SPI. The Company had no outstanding amounts payable to SPI at March 31, 2012 and December 31, 2011.

Note 11— SUBSEQUENT EVENTS

In April 2012, the Company completed its first commercial sale of EXPAREL, triggering a $10.0 million payment obligation to Skyepharma in connection with the Acquisition. Payment was made on April 19, 2012.

In April 2012, the Company entered into an amended and restated consulting agreement with Gary Pace, whereby Dr. Pace will provide consulting services to the Company in the manufacturing area. Dr. Pace is compensated at the rate of $10,000 per month and received an option to purchase 20,000 shares of common stock pursuant to the consulting arrangement.

On April 17, 2012, the Company sold 6,000,000 shares of common stock at a price of $9.75 per share in a registered public offering. The Company raised approximately $55 million in net proceeds after deducting underwriting discounts and offering expenses. On April 27, 2012, the underwriters exercised the overallotment option for 900,000 shares of common stock at a price of $9.75 per share, which provided an additional $8 million in net proceeds after deducting underwriting discounts and offering expenses.

On May 2, 2012, the Company entered into a definitive loan and security agreement, or the Loan Agreement, with Oxford Finance LLC, or the Lender, and borrowed the principal amount of $27.5 million, or the Loan Facility, at a fixed rate of 9.75%. with the first principal payment due December 31, 2013. Payments under the Loan Agreement are interest-only in arrears through November 30, 2013, followed by 30 equal monthly payments of principal and interest. In addition, a payment equal to 6% of the Loan Facility will be due on the final payment date, or such earlier date as specified in the Loan Agreement. The proceeds from the Loan Agreement were used by the Company to repay all of its outstanding obligations with respect to the Hercules Credit Facility. The Company's principal payments are due under the Loan Agreement as follows: $0.8 million in 2013, $10.3 million in 2014, $11.3 million in 2015 and $5.1 million in 2016.

The Company's obligations under the Loan Agreement are secured by a first priority security interest in substantially all of its assets, other than its intellectual property. The Company has also agreed not to pledge or otherwise encumber its intellectual property assets, except for permitted liens or to the extent the intellectual property constitutes royalty collateral, as such terms are defined in the Loan Agreement and except as otherwise provided in the Loan Agreement.

If the Company repays all or a portion of the Loan Facility prior to maturity, it will pay the Lender a prepayment fee based on a percentage of the then outstanding principal balance equal to: 3.00% if the prepayment occurs prior to or on the first anniversary of the funding date, 2.00% if the prepayment occurs after the first anniversary of the funding date but prior to or on the second anniversary of the funding date, or 1.00% if the prepayment occurs after the second anniversary of the funding date.

The Loan Agreement includes customary affirmative and restrictive covenants for transactions of this type and customary events of default, including the following events of default: payment defaults, breaches of covenants, judgment defaults, cross defaults to certain other contracts, the occurrence of certain events under the Company's royalty agreements, certain events with respect to governmental approvals if such events could cause a material adverse change, a material impairment in the perfection or priority of the Lender's security interest or in the value of the collateral, a material adverse change in the business, operations or condition of the Company or any of its subsidiaries and a material impairment of the prospect of repayment of the loans. Upon the occurrence of an event of default, a default increase in the interest rate of an additional 5.00% may be applied to the outstanding loan balance and the Lender may declare all outstanding obligations immediately due and payable and take such other actions as set forth in the Loan Agreement.

In connection with the Loan Agreement, the Company issued to the Lender warrants that are exercisable for an aggregate of 162,885 shares of its common stock at a per share exercise price of $10.97. Each warrant may be exercised on a cashless basis in whole or in part. The warrants will terminate on the earlier of ten years from the issuance date or the closing of certain merger or consolidation transactions in which the consideration is cash or stock of a publicly traded acquiror, or a combination thereof.

Item 2. ***MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS***

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended , which are subject to risks, uncertainties and assumptions that are difficult to predict. All statements in this Quarterly Report on Form 10-Q, other than statements of historical fact, are forward-looking statements. These forward-looking statements are made pursuant to safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The forward-looking statements include statements, among other things, regarding our plans to develop, manufacture and commercialize EXPAREL; our plans to continue to manufacture and provide support services for our commercial partners who have licensed DepoCyt(e)and DepoDur; the success of our commercialization of EXPAREL; the rate and degree of market acceptance of EXPAREL; the size and growth of the potential markets for EXPAREL and our ability to serve those markets; our plans to expand the indications of EXPAREL to include nerve block; our manufacturing, commercialization and marketing capabilities , regulatory developments in the United States and foreign countries; our ability to obtain and maintain intellectual property protection; the accuracy of our estimates regarding expenses and capital requirements; and the loss or hiring of key scientific or management personnel. In some cases, you can identify these statements by forward-looking words, such as "estimate," "expect," "anticipate," "project," "plan," "intend," "believe," "forecast," "foresee," "likely," "may," "should," "goal," "target," "might," "could," "predict," and "continue," the negative or plural of these words and other comparable terminology. Forward-looking statements are only predictions based on our current expectations and our projections about future events. All forward-looking statements included in this Quarterly Report on Form 10-Q are based upon information available to us as of the filing date of this Quarterly Report on Form 10-Q. You should not place undue reliance on these forward-looking statements. We undertake no obligation to update any of these forward-looking statements for any reason. You should, therefore, not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this Quarterly Report on Form 10-Q.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance, or achievements to differ materially from those expressed or implied by these statements. These factors include the matters discussed and referenced in Part II-Item 1A. Risk Factors.

Unless the context requires otherwise, references to "Pacira," "we," the "company," "us" and "our" in this Quarterly Report on Form 10-Q refers to Pacira Pharmaceuticals, Inc. and its subsidiaries. In addition, references in this Quarterly Report on Form 10-Q to DepoCyt(e) mean DepoCyt when discussed in the context of the United States and Canada and DepoCyte when discussed in the context of Europe.

Overview

We are an emerging specialty pharmaceutical company focused on the development, commercialization and manufacture of proprietary pharmaceutical products, based on our proprietary DepoFoam drug delivery technology, for use in hospitals and ambulatory surgery centers.

On October 28, 2011, the United States Food and Drug Administration, or FDA, approved our New Drug Application, or NDA, for our lead product candidate, EXPAREL, a liposome injection of bupivacaine, an amide-type local anesthetic, indicated for administration into the surgical site to produce postsurgical analgesia. We have developed a sales force entirely dedicated to commercializing EXPAREL comprised of approximately 60 representatives, seven regional managers and a national sales manager. We have developed this sales force pursuant to a contract with Quintiles Commercial US, Inc., a division of Quintiles, Inc., or Quintiles, and under the terms of this contract we have the flexibility to hire all or a portion of the sales force dedicated to commercializing EXPAREL as full-time employees of Pacira, upon 60 days notice to Quintiles. We launched EXPAREL in April 2012.

Our two other marketed products, DepoCyt(e) and DepoDur, and our proprietary DepoFoam extended release drug delivery technology, which were acquired as part of the acquisition of our California operating subsidiary, referred to herein as the Acquisition, Pacira Pharmaceuticals, Inc., or PPI-California, on March 24, 2007, or the Acquisition. DepoCyt(e) is a sustained release liposomal formulation of the chemotherapeutic agent cytarabine and is indicated for the intrathecal treatment of lymphomatous meningitis. DepoCyt(e) was granted accelerated approval by the FDA in 1999 and full approval in 2007. DepoDur is an extended release injectable formulation of morphine indicated for epidural administration for the treatment of pain following major surgery. DepoDur was approved by the FDA in 2004. On January 3, 2012, EKR delivered a notice to terminate the licensing, distribution and marketing agreement with us relating to DepoDur. Pursuant to the terms of the agreement, the termination of the agreement will be effective 180 days from the date of notice or July 1, 2012. Pursuant to the terms of the agreement, the associated supply agreement will also terminate concurrently with the termination of the agreement. As a result, we expect the supply and royalty revenue from DepoDur to decrease in the future and we do not expect to re-license out the rights to DepoDur.

We do not expect our currently marketed products, other than EXPAREL, to generate revenue that is sufficient for us to achieve profitability because we expect to continue to incur significant expenses as we commercialize EXPAREL and advance the development of product candidates, seek FDA approval for our product candidates that successfully complete clinical trials and develop our sales force and marketing capabilities to prepare for their commercial launch. We also expect to incur additional expenses to add operational, financial and management information systems and personnel, including personnel to support our product development efforts and our obligations as a public reporting company. For us to become and remain profitable, we believe that we must succeed in commercializing EXPAREL or other product candidates with significant market potential.

Recent Developments

First Commercial Sale of EXPAREL

In April 2012, we completed our first commercial sale of EXPAREL, triggering a $10.0 million payment obligation to Skyepharma in connection with the Acquisition. Payment was made on April 19, 2012.

Consulting Agreement

In April 2012, we entered into an amended and restated consulting agreement with Gary Pace, whereby Dr. Pace will provide consulting services to us in the manufacturing area. Dr. Pace is compensated at the rate of $10,000 per month and received an option to purchase 20,000 shares of our stock pursuant to the consulting arrangement.

Offering of Common Stock

On April 17, 2012, we sold 6,000,000 common shares at a price of $9.75 per share in a registered public offering of common stock. We received approximately $55 million in net proceeds after deducting underwriting discounts and offering expenses. On April 27, 2012, the underwriters exercised the overallotment option for 900,000 common shares at a price of $9.75 per share, which provided an additional $8 million in net proceeds after deducting underwriting discounts and offering expenses.

Refinancing of Hercules Note

On May 2, 2012, we entered into a definitive loan and security agreement, or Loan Agreement, with Oxford Finance LLC, who we refer to as the Lender, and borrowed the principal amount of $27.5 million, at a fixed rate of 9.75%. with the first principal payment due December 31, 2013. Payments under the Loan Agreement are interest-only in arrears through November 30, 2013, followed by 30 equal monthly payments of principal and interest. In addition, a final payment equal to 6% of the Loan Facility will be due on the final payment date, or such earlier date as specified in the Loan Agreement.

Our obligations under the Loan Agreement are secured by a first priority security interest in substantially all of our assets, other than our intellectual property. We have also agreed not to pledge or otherwise encumber our intellectual property assets, except for permitted liens or to the extent the intellectual property constitutes royalty collateral, as such terms are defined in the Loan Agreement and except as otherwise provided in the Loan Agreement.

If we repay all or a portion of the Loan Facility prior to maturity, we will pay the Lender a prepayment fee based on a percentage of the then outstanding principal balance equal to: 3.00% if the prepayment occurs prior to or on the first anniversary of the funding date, 2.00% if the prepayment occurs after the first anniversary of the funding date but prior to or on the second anniversary of the funding date, or 1.00% if the prepayment occurs after the second anniversary of the funding date.

The Loan Agreement includes customary affirmative and restrictive covenants for transactions of this type and customary events of default, including the following events of default: payment defaults, breaches of covenants, judgment defaults, cross defaults to certain other contracts, the occurrence of certain events under our royalty agreements, certain events with respect to governmental approvals if such events could cause a material adverse change, a material impairment in the perfection or priority of the Lender's security interest or in the value of the collateral, a material adverse change in the business, operations or condition of us or any of our subsidiaries and a material impairment of the prospect of repayment of the loans. Upon the occurrence of an event of default, a default increase in the interest rate of an additional 5.00% may be applied to the outstanding loan balance and the Lender may declare all outstanding obligations immediately due and payable and take such other actions as set forth in the Loan Agreement.

In connection with the Loan Agreement, we issued to the Lender warrants that are exercisable for an aggregate of 162,885 shares of our common stock at a per share exercise price of $10.97. Each warrant may be exercised on a cashless basis in whole or in

part. The warrants will terminate on the earlier of ten years from the issuance date or the closing of certain merger or consolidation transactions in which the consideration is cash or stock of a publicly traded acquiror, or a combination thereof.

The proceeds from the Loan Agreement were used by us to repay all of our outstanding obligations with respect to the credit facility we previously entered into with Hercules Technology Growth Capital, Inc. and Hercules Technology II, L.P., as lenders, or the Hercules Credit Facility.

Results of Operations

Comparison of Three Months Ended March 31, 2012 and 2011

Revenues

The following table sets forth a summary of our supply and royalty revenue and collaborative licensing and development revenue during the periods indicated (in thousands):

	Three Months Ended March 31,		% Increase/ Decrease
	2012	2011	
Supply and royalty revenue:			
DepoCyt(e)	$ 1,250	$ 2,603	(52)%
DepoDur	64	50	28%
Total supply and royalty revenue	1,314	2,653	(50)%
Collaborative licensing and development revenue	6,490	1,210	436%
Total revenues	$ 7,804	$ 3,863	102%

Total revenues increased by $3.9 million, or 102%, to $7.8 million in the three months ended March 31, 2012 as compared to $3.9 million in the three months ended March 31, 2011 primarily due to the recognition of $5.8 million of collaborative licensing and development revenue in connection with the termination of the licensing, distribution and marketing agreement with EKR for the DepoDur product. We are recognizing any unamortized deferred revenue related to milestones received under the agreement over the remaining contract period through July 2012. This was partially offset by a decrease in supply and royalty revenue of $1.3 million due to a lower number of DepoCyt(e) lot sales to our commercial partners.

Cost of Revenues

The following table provides information regarding our cost of revenues during the periods indicated (in thousands):

	Three Months Ended March 31,		% Increase/ Decrease
	2012	2011	
Cost of goods sold	$ 6,254	$ 3,288	90%
Cost of collaborative licensing and development revenue	241	379	(36)%
Total cost of revenues	$ 6,495	$ 3,667	77%

Cost of revenues increased by $2.8 million, or 77%, to $6.5 million in the three months ended March 31, 2012 as compared to $3.7 million the three months ended March 31, 2011. The increase was primarily driven by excess capacity relating to running two cGMP facilities that have a substantial level of infrastructure cost, including the EXPAREL production line which was put into service during the fourth quarter of 2011 with the majority of all operating expenses expensed as incurred due to commercial manufacturing

challenges. EXPAREL product was manufactured for commercial use beginning in March 2012.

Research and Development Expense

The following table provides information regarding our research and development expenses during the periods indicated (in thousands):

	Three Months Ended March 31,		% Increase/ Decrease
	2012	2011	
Research and development expense	$ 1,294	$ 3,795	(66)%

Research and development expenses decreased by $2.5 million, or 66%, to $1.3 million in the three months ended March 31, 2012 as compared to $3.8 million in the three months ended March 31, 2011 due to the shift of EXPAREL production line expenses from research and development expenses to cost of revenues following the approval of EXPAREL by the FDA in October 2011. Research and development expenses in the three months ended March 31, 2012 primarily resulted from our dose ranging EXPAREL nerve block trial and a potential new manufacturing process for EXPAREL.

In the three months ended March 31, 2012 and 2011, research and development expenses attributable to EXPAREL were $1.3 million or 100%, and $3.7 million or 99%, of total research and development expenses, respectively.

Selling, General and Administrative Expense

The following table provides information regarding our selling, general and administrative expenses during the periods indicated (in thousands):

	Three Months Ended March 31,		% Increase/ Decrease
	2012	2011	
General and administrative	$ 3,644	$ 2,375	53%
Sales and marketing	7,508	1,148	554%
Total selling, general and administrative expense	$ 11,152	$ 3,523	217%

Selling, general and administrative expenses increased by $7.6 million, or 217%, to $11.1 million in the three months ended March 31, 2012 as compared to $3.5 million in the three months ended March 31, 2011 due to the following:

- sales and marketing expenses increased by $6.4 million primarily due to the cost of our sales force entirely dedicated to commercializing EXPAREL, which was comprised of approximately 60 representatives, seven regional managers and a national sales manager, and promotional costs to support the launch of EXPAREL including simulcasts, speaker trainings, educational programs, publications, promotional materials and health outcomes collaboratives and business analytics; and

- general and administrative expenses increased by $1.2 million due to the increase in headcount and consulting costs to support our operations as a public company and costs to support our information technology structure.

Other Income (Expense)

The following table provides information regarding our other income (expense) during the periods indicated (in thousands):

	Three Months Ended March 31,		% Increase/ Decrease
	2012	2011	
Interest income	$ 63	$ 29	117%
Interest expense	(514)	(2,481)	(79)%
Royalty interest obligation	(282)	(311)	(9)%
Other, net	(24)	110	(122)%
Total other (expense) net	$ (757)	$ (2,653)	(71)%

Total other (expense) income, net decreased by $1.9 million, or 71%, to $0.8 million in the three months ended March 31, 2012 as compared to $2.7 million in the three months ended March 31, 2011 primarily due to a $1.9 million decrease in interest expense. The decrease in interest expense is due to the following:

- $1.1 million of remaining amortization recognized during the three months ended March 31, 2011 associated with convertible notes we issued in 2010 that were converted into common stock upon the closing of our initial public offering in February 2011;
- $0.3 million of interest expense recognized during the three months ended March 31, 2011 on our convertible and secured notes that were converted into common stock upon the closing our initial public offering in February 2011; and
- $0.4 million of capitalized interest recognized during the three months ended March 31, 2012 for the construction of our expanded manufacturing site for EXPAREL.

This decrease in interest expense was partially offset by $0.1 million increase in other, net. We received a research grant in February 2011 established by the Internal Revenue Service and the Secretary of Health and Human Services under the Patient Protection and Affordable Care Act of 2010.

Liquidity and Capital Resources

Since our inception in 2007, we have devoted most of our cash resources to research and development and general and administrative activities primarily related to the development of EXPAREL. We have financed our operations primarily with the proceeds from the sale of convertible preferred stock and common stock, secured and unsecured notes and borrowings under debt facilities, supply and royalty revenue and collaborative licensing and development revenue. We raised approximately $37.1 million in net proceeds through an initial public offering completed on February 8, 2011 and approximately $49.0 million in net proceeds through a follow-on offering completed on November 21, 2011. Additionally, we received approximately $63 million in net proceeds through an offering of common stock in April 2012. We have generated limited supply revenue and royalties, and we do not anticipate generating any revenues from the sale of EXPAREL, until the second quarter of 2012. We have incurred losses and generated negative cash flows from operations since inception. As of March 31, 2012, we had an accumulated deficit of $192.1 million, cash and cash equivalents and short-term investments of $54.8 million and working capital of $43.1 million.

Summary of Cash Flows

The following table summarizes our cash flows from operating, investing and financing activities for the periods indicated (in thousands):

	Three Months Ended March 31,	
	2012	2011
Net cash provided by (used in):		
Operating activities	$ (17,545)	$ (3,987)
Investing activities	(2,530)	(832)
Financing activities	(880)	38,017
Net (decrease) increase in cash and cash equivalents	$ (20,955)	$ 33,198

Operating Activities

During the three months ended March 31, 2012 and 2011, our net cash used in operating activities was $17.6 million and $4.0 million, respectively. The $13.6 million increase in net cash used in operating activities was driven by (i) higher sales and marketing expenses in preparation of the launch of EXPAREL in April 2012 including the hiring of our sales force dedicated to EXPAREL, (ii) increased costs in our manufacturing facilities, (iii) a decrease in supply and royalty revenue due to lower lot sales to our commercial partners, and (iv) a $1.5 million up-front payment received in January 2011 from our development partner Novo.

Investing Activities

During the three months ended March 31, 2012 and 2011, our net cash used in investing activities was $2.5 million and $0.8 million, respectively, primarily for the purchase of fixed assets relating to the construction of our manufacturing lines for EXPAREL. We also had $0.4 million of short-term investments mature during the three months ended March 31, 2012.

Financing Activities

During the three months ended March 31, 2012, net cash used in financing activities was $0.9 million compared to net cash provided by financing activities of $38.0 million during the three months ended March 31, 2011. The net cash used in financing activities in 2012 was primarily from the principal repayment of debt on the Hercules Credit Facility and costs for the refinancing of the Hercules debt, offset by proceeds from exercise of stock options. The net cash provided by financing activities in 2011 was primarily from the issuance of common stock in connection with our initial public offering completed in February 2011. We raised approximately $37.1 million in net proceeds in the initial public offering, after deducting $4.9 million in offering expenses of which $0.9 million was paid prior to December 31, 2010.

Debt Facilities

As of March 31, 2012, we had $25.6 million in outstanding principal debt under the Hercules Credit Facility. The Hercules Credit Facility provides for an “interest only period” when no principal amounts are due and payable. Following the end of the interest only period on February 28, 2012, the term loan is being repaid in 33 monthly installments of principal and interest beginning on March 1, 2012. As of March 31, 2012, we were in compliance with all covenants under the facility.

On May 2, 2012, we entered into a Loan Agreement with Oxford Finance LLC and borrowed the principal amount of $27.5 million, at a fixed rate of 9.75% with the first principal payment due December 31, 2013. The proceeds from the Loan Agreement were used by us to repay all of our outstanding obligations with respect to the Hercules Credit Facility.

Future Capital Requirements

As of March 31, 2012, we had cash and cash equivalents and short-term investments of $54.8 million and we received approximately $63 million of net proceeds from a registered offering of our common stock in April 2012. We believe that our existing cash and cash equivalents, including the $63 million raised in April 2012, short-term investments and revenue from product sales will be sufficient to enable us to meet our planned operating expenses, capital expenditure requirements and service our indebtedness for the next twelve months. However, changing circumstances may cause us to expend cash significantly faster than we currently anticipate, and we may need to spend more cash than currently expected because of circumstances beyond our control.

Our expectations regarding future cash requirements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments that we make in the future. We have no current understandings, agreements or commitments for any material acquisitions or licenses of any products, businesses or technologies. We may need to raise substantial additional capital in order to engage in any of these types of transactions.

We expect to continue to incur substantial additional operating losses as we commercialize EXPAREL and develop and seek regulatory approval for our product candidates. We will continue to incur significant sales and marketing and manufacturing expenses due to the commercialization of EXPAREL. In addition, we expect to incur additional expenses to add operational, financial and information systems and personnel, including personnel to support our planned product commercialization efforts. We also expect to incur significant costs to comply with corporate governance, internal controls and similar requirements to us as a public company.

Our future use of operating cash and capital requirements will depend on many forward-looking factors, including the following:

- the level and timing of our sales of EXPAREL;
- the costs of our commercialization activities for EXPAREL;
- the cost and timing of expanding our manufacturing facilities and purchasing manufacturing and other capital equipment for EXPAREL and our other product candidates;
- the costs of performing additional clinical trials for EXPAREL, including the pediatric trials required by the FDA as a condition of approval;
- the scope, progress, results and costs of development for additional indications for EXPAREL and for our other product candidates;
- the cost, timing and outcome of regulatory review of our other product candidates;
- the extent to which we acquire or invest in products, businesses and technologies;
- the extent to which we choose to establish collaboration, co-promotion, distribution or other similar agreements for our product candidates; and
- the costs of preparing, submitting and prosecuting patent applications and maintaining, enforcing and defending intellectual property claims.

To the extent that our capital resources are insufficient to meet our future operating and capital requirements, we will need to finance our cash needs through public or private equity offerings, debt financings, corporate collaboration and licensing arrangements or other financing alternatives. The covenants under the Hercules Credit Facility and the Amended and Restated Royalty Interests Assignment Agreement and the pledge of our assets as collateral limit our ability to obtain additional debt financing. We have no committed external sources of funds. Additional equity or debt financing or corporate collaboration and licensing arrangements may not be available on acceptable terms, if at all.

If we raise additional funds by issuing equity securities, our stockholders will experience dilution. Additional debt financing, if available, would result in increased fixed payment obligations and may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. Any additional debt financing or additional equity that we raise may contain terms, such as liquidation and other preferences that are not favorable to us or our stockholders. If we raise additional funds through collaboration and licensing arrangements with third parties, it may be necessary to relinquish valuable rights to our technologies, future revenue streams or product candidates or to grant licenses on terms that may not be favorable to us.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, except for operating leases, or relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities. None of our off-balance sheet arrangements have, or are reasonably likely to have, a current or future material effect on our financial condition or changes in financial condition.

Critical Accounting Policies and Estimates

For a description of the critical accounting policies that affect our more significant judgments and estimates used in the preparation of our consolidated financial statements, refer to our most recent Annual Report on Form 10-K for the year ended December 31, 2011. There have been no significant changes to our critical accounting policies since December 31, 2011.

Item 3. ***QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK***

Not applicable.

Item 4. ***CONTROLS AND PROCEDURES***

(a) Evaluation of Disclosure Controls and Procedures

We maintain "disclosure controls and procedures," as such term is defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that are designed to ensure that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in Securities and Exchange Commission ("SEC") rules and forms, and that such information is accumulated and communicated to our management, including our President and Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. Based on their evaluation with the participation of the Company's management, as of the end of the period covered by this Quarterly Report on Form 10-Q, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective.

(b) Changes in Internal Control over Financial Reporting

No change in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the fiscal quarter ended March 31, 2012 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

(c) Inherent Limitations on Effectiveness of Controls

Our management, including our President and Chief Executive Officer and Chief Financial Officer, do not expect that our disclosure controls or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within Pacira have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II—OTHER INFORMATION

Item 1. *LEGAL PROCEEDINGS*

From time to time, we have been and may again become involved in legal proceedings arising in the ordinary course of our business. We are not presently a party to any material litigation and we are not aware of any pending or threatened litigation against us that could have a material adverse effect on our business, operating results, financial condition or cash flows.

Item 1A. *RISK FACTORS*

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors discussed in Part I, "Item 1A: Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2011, which could materially affect our business, financial condition or future results. The risks described in our Annual Report on Form 10-K for the year ended December 31, 2011, are not the only risks facing our company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or future results. There have been no material changes in the risk factors contained in our Annual Report on Form 10-K for the year ended December 31, 2011.

Item 2. *UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS*

Unregistered Sales of Equity Securities

There were no issuances of unregistered shares of capital stock during the three month period ended March 31, 2012 covered by this report.

Use of Proceeds

Not applicable.

Item 3. *DEFAULTS UPON SENIOR SECURITIES*

Not applicable.

Item 4. *MINE SAFETY DISCLOSURES*

Not applicable.

Item 5. *OTHER INFORMATION*

Not applicable.

Item 6. *EXHIBITS*

The exhibits listed in the Exhibit Index are incorporated herein by reference.

EXHIBIT INDEX

Exhibit No.	Description
10.1	Amended and Restated Consulting Agreement, dated April 3, 2012, between the Registrant and Gary Pace*
10.2	Employment Agreement, dated November 1, 2010, between the Registrant and Taunia Markvicka*
10.3	Employment Agreement, dated November 18, 2012, between the Registrant and John Pratt.*
10.4	Employment Agreement, dated April 19, 2012, between the Registrant and Lauren Riker*
31.1	Certification of President and Chief Executive Officer pursuant to Rule 13a-14(a) and 15d-14(a), as amended.*
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) and 15d-14(a), as amended.*
32.1	Certification of Executive Chairman of the Board pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.**
101	The following materials from the Quarterly Report on Form 10-Q of Pacira Pharmaceuticals, Inc. for the quarter ended March 31, 2012, formatted in XBRL (eXtensible Business Reporting Language): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations, (iii) the Consolidated Statement of Stockholders' Equity, (iv) the Consolidated Statements of Cash Flows, and (v) the Condensed Notes to Consolidated Financial Statements, tagged as blocks of text.***
101.INS	XBRL Instance Document.*
101.SCH	XBRL Taxonomy Extension Schema Document. *
101.CAL	XBRL Taxonomy Calculation Linkbase Document. *
101.LAB	XBRL Taxonomy Label Linkbase Document. *
101.PRE	XBRL Taxonomy Presentation Linkbase Document.*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.*

* Filed herewith

** Furnished herewith

*** Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed

for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

SIGNATURES

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

PACIRA PHARMACEUTICALS, INC.
(REGISTRANT)

Dated: May 9, 2012

/s/ DAVID STACK
David Stack
President and Chief Executive Officer
(Principal Executive Officer)

Dated: May 9, 2012

/s/ JAMES SCIBETTA
James Scibetta
Chief Financial Officer
(Principal Financial Officer)

Dated: May 9, 2012

/s/ LAUREN RIKER
Lauren Riker
Executive Director, Accounting & Reporting
(Principal Accounting Officer)

Exhibit 10.1

Pacira Pharmaceuticals, Inc.
10450 Science Center Drive
San Diego, CA 92121
Phone: (858) 625-2424
FAX: (858) 625-2439

AMENDED AND RESTATED CONSULTING AGREEMENT

RECIPIENT: Gary Pace , Ph.D

EFFECTIVE DATE: April 3, 2012

This Consulting Agreement (the "Agreement") is entered into this day, April 3, 2012, by and between **Pacira Pharmaceuticals, Inc**., a California corporation, having its principal place of business at 10450 Science Center Drive, San Diego, California 92121 (" Company"), and Gary Pace located at the address listed above (the "Consultant"), and is made with respect to the following recitals and agreements:

WHEREAS, WHEREAS, as of June 2, 2011 (the Effective Date) the Company and Consultant entered into a Consulting Agreement; (the "Original Agreement"); and

WHEREAS, the Company and Consultant wish to amend and restate the Original Agreement to read as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and promises described below, the Original Agreement is hereby amended and restated to read, and the company and Consultant agree, as follows:

1. Services; Fees.

a) Consultant is hereby retained as an independent contractor to provide the services described in Exhibit A hereto (the "Services"). Consultant shall receive fees for such Services and reimbursement for expenses as set forth in Exhibit A hereto. Such Services shall be performed as requested from time to time by Company's chief executive officer, or as otherwise set forth on Exhibit A.

b) Consultant shall diligently perform the Services in full compliance with the highest professional standards of practice in the industry and applicable laws. Anything to the contrary contained in this Agreement notwithstanding, Consultant agrees and acknowledges that during the Term there is neither a minimum amount of Services for which Company is obligated to engage Consultant, nor shall this Agreement be construed as limiting in any way Company's right to contract for similar services with any other party. In no event shall this Agreement be construed as obligating Company to pay any amounts for Services performed under this Agreement unless (i) Company actually engages Consultant to perform Services pursuant to this Agreement, and Consultant actually performs such Services, and (ii) each such engagement to perform Services is evidenced by Exhibit A or other written agreement between the parties prior to the commencement of such Services.

c) In consideration of the Services, Consultant shall receive the fees set forth on Exhibit A (the "Consulting Fees"). Consultant represents that the compensation: (i) is payment in full for the Services, and (ii) reflects the fair market value of the services described herein, commensurate with the fees charged by Consultant for providing similar services to other entities.

2. Term. The initial term of this Agreement shall commence on the date hereof and continue for a period of one (1) year. Consultant's services shall be rendered as requested by Company and in a manner satisfactory to Company. This Agreement may be cancelled by either party upon giving thirty (30) days prior written notice. Upon expiration or termination of this Agreement, Consultant shall only be entitled and Company only obligated to pay for any Consulting Fee(s) due to Consultant for Services actually rendered and non-cancellable expenses incurred up to that point in accordance with the terms and conditions of this Agreement, and nothing more. Notwithstanding the foregoing, in the event Company terminates this Agreement as a result of Consultant's failure to comply with the representations and warranties set forth herein, Company shall be entitled to withhold payment for Services previously rendered. Sections 4, 5, 7, 9, and 10 shall survive termination or expiration of this Agreement for any reason.

3. Representations and Warranties of Consultant. Consultant represents and warrants that Consultant has the requisite expertise, ability and legal right to render the consulting services, and will perform the consulting services in an efficient manner and in accordance with the terms of this Agreement. Consultant shall abide by all laws, rules and regulations that apply to the performance of the consulting services and when on Company premises, will comply with Company's policies with respect to conduct of visitors. Consultant represents and warrants that Consultant is not and has not been: (i) excluded from participation in, or otherwise ineligible to participate in a "Federal Health Care Program" (as defined in 42 U.S.C. § 1320a-7b(f)) or in any other government payment program; (ii) listed on the General Services Administration's List of parties Excluded from Federal Procurement and Nonprocurement Programs; or (iii) debarred under the Generic Drug Enforcement Act of 1992 (the "GDE Act") (21 U.S.C. § 335(a) and (b)). To the best of Consultant's knowledge, Consultant represents and warrants that Consultant has not engaged in any activity that could lead Consultant to become excluded or debarred as set forth above. Consultant further represents and warrants that Consultant does not and will not use in any capacity the services of any person excluded or debarred as set forth above. If Consultant is debarred or excluded as set forth above, during the Term, Consultant agrees to immediately notify Company, and this Agreement shall automatically terminate as of the date of such exclusion or debarment, without the requirement of notice from Company. Consultant further represents and warrants that in providing the Services, Consultant shall be responsible for Consultant's own compliance with all applicable local, state and federal laws and regulations.

4. Confidentiality.

(a) Consultant recognizes that in performing services under this Agreement it will have contact with information of substantial value to Company, which is not generally known and which gives Company an advantage over its competitors who do not know or use it, including, but not limited to, improvements to the Company's technology, techniques, drawings, processes, inventions, developments, sales and customer information, and business and financial information, relating to the business, products, practices or techniques of Company and of any other corporation or entity that may be a party to a particular transaction with the Company (hereinafter referred to as " Confidential Information"). Confidential Information shall also include information belonging to a third party which Company is obligated to keep confidential from others.

(b) Consultant agrees, at all times, to (i) regard and preserve as confidential such Confidential Information using the same standard of care as it uses to protect its own confidential information, (ii) not use the Confidential Information for any purpose other than as necessary to perform the Services, and (iii) to refrain from publishing, distributing, or disclosing any part of such Confidential Information to a third party without prior written consent of Company. Consultant further agrees, at all times, to refrain from any other acts or omissions that would reduce the value of such Confidential Information to Company. Consultant will immediately notify Company if it learns that Confidential Information has been disclosed or is about to be disclosed in violation of this Agreement, whether by

Consultant's acts, acts of third parties, law, regulation or court order, and shall cooperate with Company's efforts to prevent or limit unauthorized disclosure of Confidential Information.

(c) Upon termination of this Agreement, Consultant agrees to promptly surrender to Company all documents or items which are the property of Company or which contain or comprise such Confidential Information.

(d) Consultant's duties of confidence to Company and other duties pursuant to this Agreement, shall survive the termination of this Agreement for any reason.

5. Inventions and Works of Authorship.

(a) Consultant agrees to promptly and fully disclose in writing to Company any invention, discovery, development, improvement, method or product, know-how and data (collectively, "Inventions"), whether or not patentable, which are made, conceived or reduced to practice by Consultant during the term of this Agreement that result from any work performed by Consultant for Company pursuant to this Agreement. Consultant agrees that such inventions shall be the sole property of Company and does hereby assign to Company all right, title, and interest in and to such inventions.

(b) Any reports, specifications or other materials (collectively, "Works") prepared by Consultant for the purpose of or pursuant to this Agreement shall be the sole property of Company exclusively and shall be maintained in confidence by Consultant as a trade secret of the Company. To the extent that Works originated, developed or perfected constitutes an original work of authorship by Consultant, which is protectable by copyright, Consultant acknowledges that such work is a "work made for hire" as defined by the U.S. Copyright Act (17 U.S.C. §101 *et seq*.).

(c) The Consultant agrees that if in the course of performing the Services, the Consultant incorporates into any Invention developed hereunder any invention, improvement, development, concept, discovery or other proprietary information owned by the Consultant or in which the Consultant has an interest, (i) the Consultant shall inform Company, in writing before incorporating such invention, improvement, development, concept, discovery or other proprietary information into any Invention; and (ii) the Company is hereby granted and shall have a nonexclusive, royalty-free, perpetual, irrevocable, worldwide license to fully use, utilize, commercialize and otherwise exploit the Inventions, including any such invention, improvement, development, concept, discovery or other proprietary information owned by the Consultant or in which the Consultant has an interest that is incorporated therein, and all rights necessary to make, have made, use, sell, offer to sell, develop, have developed, make derivative works, distribute, display, import, lease or otherwise dispose of Company products embodying, incorporating, or otherwise based on the Inventions. The Consultant shall not incorporate any invention, improvement, development, concept, discovery or other proprietary information owned by any third party into any Invention without Company's prior written permission.

(d) All of Company's patents, copyrights, trade secrets and other intellectual property rights relating to the subject matter of this Agreement that were developed by Company prior to this Agreement or independent thereof shall be owned by Company and Consultant shall have no ownership, license, or other use rights therein except as set forth in this Agreement.

(e) Consultant hereby assigns to the Company all of Consultant's intellectual property rights (including copyrights, patents, and trademarks embodied in any Inventions or Works) that may arise from Consultant's engagement by the Company. Consultant shall cooperate in executing any documents required to further confirm the foregoing assignment. The Consultant agrees that if the Company is unable because of the Consultant's unavailability, dissolution, mental or physical incapacity, or for any other reason, to secure the Consultant's signature to apply for or to pursue any application for any United States or foreign patents or mask work or copyright registrations covering the Inventions and Works assigned to the Company above, then the Consultant hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as the Consultant's agent and attorney in fact, to act for and in the Consultant's behalf

and stead to execute and file any such applications and to do all other lawfully permitted acts to further the prosecution and issuance of patents, copyright and mask work registrations thereon with the same legal force and effect as if executed by the Consultant.

6. Independent Contractor. Consultant's relationship with Company is and shall be that of an independent contractor, and neither party is authorized to nor shall act as the agent of the other. Consultant agrees that he or she will be solely responsible for the payment of all taxes relating to the compensation paid pursuant to this Agreement.

7. Indemnification. Consultant shall indemnify and hold harmless Company and its affiliates, officers, directors, employees, and agents from and against all liabilities, losses, costs and expenses (including reasonable attorneys' fees) and damages arising out of or resulting from (i) any willful misconduct or negligent act or omission of Consultant, (ii) any breach of this Agreement by Consultant, or (iii) any violation by Consultant of any local, state, or federal law, rule, or regulation applicable to the performance of Consultant's obligations under this Agreement. This Section 8 shall survive any termination or expiration of this Agreement.

8. Notices. Unless otherwise provided, any notice required or permitted under this Agreement shall be given in writing and shall be deemed effectively given upon personal delivery to the party to be notified or upon deposit with the United States Post Office, by registered or certified mail, or by Federal Express postage prepaid and addressed to the party to be notified at the address for such party set forth in the introductory paragraph above, or at such other address as such party may designate by ten (10) days advance written notice to the other parties.

9. Remedies. Consultant acknowledges that any disclosure or unauthorized use of Confidential Information will constitute a material breach of this Agreement and cause substantial harm to Company for which damages would not be a fully adequate remedy, and, therefore, in the event of any such breach, in addition to other available remedies, Company shall have the right to obtain injunctive relief.

10. Attorneys' Fees. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to other relief to which such party may be entitled.

11. Successors and Assigns. This Agreement shall be binding upon Consultant, and inure to the benefit of, the parties hereto and their respective heirs, successors, assigns, and personal representatives; provided, however, that it shall not be assignable by Consultant.

12. Amendment and Modification. No amendment, modification or supplement of this Agreement shall be binding unless executed in writing and signed by all of the parties hereto.

13. Entire Agreement; Governing Law. This Agreement contains the entire understanding of the parties with respect to the matters contained herein. This Agreement shall supersede any and all previous and existing Consulting Agreements between Company and Consultant. This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey, without regard to principles of conflicts of law.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first above written.

By:	/s/ Gary Pace	Consultant	April 3, 2012
	Name	Title	Date

PACIRA PHARMACEUTICALS, INC., a California Corporation

By:	/s/ Dave Stack	CEO	April 19, 2012
	Name	Title	Date

EXHIBIT A

Scope of Services of Consultant:

The scope of consulting work contemplated by this Agreement shall be as follows: Consultant will have the title of Technical Advisor to the CEO and BOD. Consultant will drive a central process for technical analysis and scientific data based decision making in addition to his role as the project lead for the Spray Process.

Consulting Fees:

Consultant shall be compensated at the rate of $10,000 per month, to be billed monthly via invoice. Invoices shall be paid within thirty (30) days of receipt at Pacira. Invoices must be sent electronically to Accountspayable@pacira.com. In addition, Consultant is eligible for an option to purchase 20,000 shares of Company stock subject to approval by the Compensation Committee of the Board of Directors.

Payments shall be by wire-transfer, automatic clearing house (ACH) or by check as follows:

Address:

Electronic payment

name:
Bank name:
Account number:
Routing ABA#
If paid by ACH remittance can be emailed to .

Reimbursement of Expenses:

- Pacira Pharmaceuticals will reimburse consultant for all pre-approved travel and related expenses.
- The consultant is responsible for making all travel arrangements through his/her travel agent, unless otherwise instructed.
- Expense reports should be submitted to Pacira with corresponding receipts within five (5) days of the completed travel.

Pacira Pharmaceuticals Contact:

Name Dave Stack
Title Chief Executive Officer
Pacira Pharmaceuticals, Inc.
5 Sylvan Way
Parsippany, NJ 07054
Tel: 973-254-3560

Exhibit 10.2

EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement (the "Agreement"), is entered into as of November 1, 2010 (the "Effective Date"), by and between Pacira Pharmaceuticals, Inc., a California corporation (the "Company"), and Taunia Markvicka (the "Executive").

RECITALS

WHEREAS, the Company wishes to continue to employ the Executive, and the Executive desires to continue to be employed by the Company, for such purpose and upon the terms and conditions hereinafter provided; and

WHEREAS, the parties wish to establish the terms of the Executive's future employment with the Company and set out fully their respective rights, obligations and duties.

AGREEMENT

In consideration of the promises and the terms and conditions set forth in this Agreement, the parties agree as follows:

1. Title and Capacity. The Company hereby agrees to continue to employ the Executive, and the Executive hereby accepts continued employment with the Company, under the terms set forth in this Agreement. The Executive will serve as the Vice President of Commercial Development of the Company and shall perform such duties as are ordinary, customary and necessary in such role. The Executive will report directly to the Chief Executive Officer of the Company. The Executive shall devote his full business time, skill and attention to the performance of his duties on behalf of the Company. In addition the Employee will remain a partner in Stack Pharmaceuticals, Inc.

2. Compensation and Benefits.

(a) Salary. The Company agrees to pay the Executive an annual base salary of Two Hundred and Twenty Thousand Dollars ($220,000) payable in accordance with Company's customary payroll practice (the "Base Salary"). The Executive's Base Salary shall be reviewed periodically by the Board of Directors of the Company (the "Board"); *provided*, *however*, that any such review will not necessarily result in an adjustment to the Executive's Base Salary. Any change in the Executive's Base Salary must be approved by the Board.

(b) Bonus. The Executive is eligible to receive, in addition to the Base Salary and subject to the terms hereof and at the full discretion of the Board, a targeted incentive bonus of thirty percent (30%) of Base Salary (the "Targeted Incentive Bonus"). The Targeted Incentive Bonus shall be based on the Executive's and the Company's performance during the applicable fiscal year, as determined by the Board. The Targeted Incentive Bonus criteria or "goals" will be determined by agreement between the Board and the Executive at beginning of each fiscal year. The award of the Target Incentive Bonus may be in an amount either above or below the amount specified by the Board at the beginning of each fiscal year based on the ultimate performance assessed by the Board.

The Targeted Incentive Bonus, if awarded, shall be payable in the first payroll period in 2012, but in no event later than March 15, 2012. Targeted Incentive Bonuses for subsequent years shall be determined and approved by the Board in its sole discretion.

All salary and bonuses shall be subject to all applicable withholdings and deductions.

(c) Stock Options. On September 2, 2010, the Company granted to the Executive two stock options (each an " Option" and collectively, the "Options") to purchase an aggregate of five hundred and fifty thousand (550,000) shares of the Company's common stock, $0.001 par value per share (the "Option Shares"), pursuant to the Company's 2007 Stock Option/Stock Issuance (the " Plan"). The exercise price, vesting schedule and other terms for each of the Options are set forth in the notice of grant and option agreement for each such Option and the Options are subject to accelerated vesting as set forth in Section 3 hereof. Additional equity incentives, if any, shall be determined by the Board (or a committee thereof) in its sole discretion. All share figures set forth herein shall be subject to adjustment for stock splits, stock dividends, stock combinations, recapitalizations and similar events.

(d) Benefits. The Executive (and, where applicable, the Executive's qualified dependents) will be eligible to participate in health insurance and other employee benefit plans and policies established by the Company for its executive team from time to time on substantially the same terms as are made available to other such employees of the Company generally. The Executive's participation (and the participation of the Executive's qualified dependents) in the Company's benefit plans and policies will be subject to the terms of the applicable plan documents and the Company's generally applied policies, and the Company in its sole discretion may from time to time adopt, modify, interpret or discontinue such plans or policies.

(e) Expenses. The Company will reimburse the Executive for all reasonable and necessary expenses incurred by the Executive in connection with the Company's business, in accordance with the applicable Company policy as may be amended from time to time.

(f) Vacation and Holidays. The Executive shall be eligible for thirty (30 days' paid vacation/flexible time off per calendar year subject to the applicable terms and conditions of the Company's vacation policy and applicable law.

(g) Termination of Benefits. Except as set forth in Section 3 or as otherwise specified herein or in any other agreement between the Executive and the Company, if the Executive's employment is terminated by the Company for any reason, with or without Cause (as defined below), or if the Executive resigns the Executive's employment voluntarily, with or without Good Reason (as defined below), no compensation or other payments will be paid or provided to the Executive for periods following the date when such a termination of employment is effective, provided that any rights the Executive may have under the Company's benefit plans shall be determined under the provisions of such plans. If the Executive's employment terminates as a result of the Executive's death or disability, no compensation or payments will be made to the Executive other than those to which the Executive may otherwise be entitled under the benefit plans of the Company.

3. Compensation and Benefits Upon Termination of Employment. Upon termination of the Executive's employment (such date of termination being referred to as the "Termination Date"), the Company will pay the Executive the compensation and benefits as described in this Section 3.

(a) General Benefits Upon Termination. The Company will pay the Executive on or about the Termination Date all salary and vacation/personal time off pay, if any, that has been earned or accrued through the Termination Date and that has not been previously paid.

(b) Termination without "Cause" or for "Good Reason". In the event that the Company terminates the Executive's employment without Cause (as defined below) or, in the event the Executive terminates her employment for Good Reason (as defined below), in each case, (i) the Executive shall be entitled to receive (A) continuing payments of the then effective Base Salary for a period of nine (9) months beginning on the Payment Commencement Date and payable in accordance with the Company's payroll policies and (B) the benefits set forth in Section 3(e), and (ii) the Executive shall be entitled to acceleration of vesting of such number of Option Shares as would have vested in the nine (9)month period following the Termination Date had the Executive continued to be employed by the Company for such period, *provided*, *however* that in each case the receipt of such payments and benefits is expressly contingent upon the Executive's execution and delivery of a severance and release of claims agreement drafted by and satisfactory to counsel for the Company (the "Release") which Release must be executed and become effective within sixty (60) days following the Termination Date. The payments and benefits shall be paid or commence on the first payroll period following the date the Release becomes effective (the " Payment Commencement Date"). Notwithstanding the foregoing, if the 60th day following the Termination Date occurs in the calendar year following the termination, then the Payment Commencement Date shall be no earlier than January 1st of such subsequent calendar year. The provision of payments and benefits pursuant to this Section shall be subject to the terms and conditions set forth on Exhibit A.

(c) Termination without "Cause" or for "Good Reason" Prior to or Following a Change of Control . In the event that the Company terminates the Executive's employment without Cause (as defined below) or, in the event the Executive terminates her employment for Good Reason (as defined below), in each case, within thirty (30) days prior to, or twelve (12) months following, the consummation of a Change of Control, then (i) the Executive shall be entitled to receive (A) continuing payments of the then effective Base Salary for a period of nine (9)months beginning on the Payment Commencement Date and payable in accordance with the Company's payroll policies and (B) the benefits set forth in Section 3(e), and (ii) acceleration of vesting of one hundred percent (100%) of the then unvested Option Shares, provided, however that in each case: (x), the receipt of such payments and benefits is expressly contingent upon the Executive's execution and delivery of a Release as described above drafted by and satisfactory to counsel for the Company, which Release must be executed and become effective within sixty (60) days following the Termination Date. The provision of payments and benefits pursuant to this Section shall be subject to the terms and conditions set forth in Exhibit A.

(d) Definitions.

(i) "Change of Control" means (A) a merger or consolidation of either the Company or Pacira, Inc., a Delaware corporation ("Parent") into another entity in which the stockholders of the Company or Parent (as applicable) do not control fifty percent (50%) or more of the total voting power of the surviving entity (other than a reincorporation merger); (B) the sale, transfer or other disposition of all or substantially all of the Company's assets in liquidation or dissolution of the Company; or (C) the sale or transfer of more than fifty percent (50%) of the outstanding voting stock of the Company. In the case of each of the foregoing clauses (A), (B) and (C), a Change of Control as a result of a financing transaction of the Company or Parent shall not constitute a Change of Control for purposes of this Agreement

(ii) "Cause" means (A) the Executive's failure to substantially perform her duties to the Company after there has been delivered to the Executive written notice setting forth in detail the specific respects in which the Board believes that the Executive has not substantially performed his duties and, if the Company reasonably considers the situation to be correctable, a demand for substantial performance and opportunity to cure, giving the Executive thirty (30) calendar days after he receives such notice to correct the situation; (B) the Executive's having engaged in fraud, misconduct, dishonesty, gross negligence or having otherwise acted in a manner injurious to the Company or in intentional disregard for the Company's best interests; (C) the Executive's failure to follow reasonable and lawful instructions from the Board and the Executive's failure to cure such failure after receiving twenty (20) days advance written notice; (D) the Executive's material breach of the terms of this Agreement or the Employee Proprietary Information and Inventions Assignment Agreement or any other similar agreement that may be in effect from time to time; or (E) the Executive's conviction of, or pleading guilty or nolo contendere to, any misdemeanor involving dishonesty or moral turpitude or related to the Company's business, or any felony.

(iii) "Good Reason" means the occurrence of any one or more of the following events without the prior written consent of the Executive: (A) any material reduction of the then effective Base Salary other than in accordance with this Agreement or which reduction is not related to a cross-executive team salary reduction; (B) any material breach by the Company of this Agreement; or (C) a material reduction in the Executive's responsibilities or duties, provided that in the case of clause (C), a mere reassignment following a Change of Control to a position that is substantially similar to the position held prior to the Change of Control transaction shall not constitute a material reduction in job responsibilities or duties; provided, however, that no such event or condition shall constitute Good Reason unless (x) the Executive gives the Company a written notice of termination for Good Reason not more than ninety (90) days after the initial existence of the condition, (y) the grounds for termination (if susceptible to correction) are not corrected by the Company within thirty (30) days of its receipt of such notice and (z) the Termination Date occurs within one (1) year following the Company's receipt of such notice.

(e) Benefits Continuation. If the Executive's employment is terminated pursuant to Section 3(b) or Section 3(c) and provided that the Executive is eligible for and elects to continue receiving group health and dental insurance pursuant to the federal "COBRA" law, 29 U.S.C. § 1161 et seq., the Company will, for a twelve (12) month period following the Payment Commencement Date (the " Benefits Continuation Period"), continue to pay the share of

the premium for such coverage that is paid by the Company for active and similarly-situated employees who receive the same type of coverage. The remaining balance of any premium costs shall be paid by the Executive on a monthly basis for as long as, and to the extent that, the Executive remains eligible for COBRA continuation. Notwithstanding the above, in the event the Executive becomes eligible for health insurance benefits from a new employer during the Benefits Continuation Period, the Company's obligations under this Section 3(e) shall immediately cease and the Executive shall not be entitled to any additional monthly premium payments for health insurance coverage. Similarly, in the event the Executive becomes eligible for dental insurance benefits from a new employer during the Benefits Continuation Period, the Company's obligations under this Section 3(e) shall immediately cease and the Executive shall not be entitled to any additional monthly premium payments for dental insurance. The Executive hereby represents that he will notify the Company in writing within three (3) days of becoming eligible for health or dental insurance benefits from a new employer during the Benefits Continuation Period

(f) Death. This Agreement shall automatically terminate upon the death of the Executive and all monetary obligations of Company under Section 2 of this Agreement shall be pro rated to the date of death and paid to the Executive's estate.

(g) Disability. The Company may terminate the Executive's employment if the Executive is unable to perform any of the duties required under this Agreement for a period of three (3) consecutive months due to a "Total and Permanent Disability". The term " Total and Permanent Disability" shall mean the existence of a permanent physical or mental illness or injury, which renders the Executive incapable of performing any material obligations or terms of this Agreement. Any dispute regarding the existence of a Total and Permanent Disability shall be resolved by a panel of three (3) physicians, one selected by Company, one selected by the Executive, and the third selected by the other two physicians. A termination of employment pursuant to this Section 3(f) shall constitute a termination for Cause.

4. At-Will Employment. The Executive will be an "at-will" employee of the Company, which means the employment relationship can be terminated by either the Executive or the Company for any reason, at any time, with or without prior notice and with or without cause. The Company makes no promise that the Executive's employment will continue for any particular period of time, nor is there any promise that it will be terminated only under particular circumstances. No raise or bonus, if any, shall alter the Executive's status as an "at-will" employee or create any implied contract of employment. Discussion of possible or potential benefits in future years is not an express or implied promise of continued employment. No manager, supervisor or officer of the Company has the authority to change the Executive's status as an "at-will" employee. The "at-will" nature of the employment relationship with the Executive can only be altered by a written resolution approved by the Board.

5. Non-Solicitation.

(a) Non-Solicit. The Executive agrees that during the term of the Executive's employment with the Company, and for a period of twelve (12) months immediately following the termination of the Executive's employment with the Company for any reason, whether with

or without Cause or Good Reason, the Executive shall not either directly or indirectly solicit, induce, recruit or encourage any of the Company's or its affiliates' employees or consultants to terminate such employee's or consultant's relationship with the Company or its affiliates, or attempt to solicit, induce, recruit, encourage or take away employees or consultants of the Company or any of its affiliates, either for the Executive or for any other person or entity except such restrictions shall not apply to any employee who was at any time an employee or consultant of Stack Pharmaceuticals, Inc. Further, during the Executive's employment with the Company or any of its affiliates and at any time following termination of the Executive's employment with the Company or any of its affiliates for any reason, with or without Cause or Good Reason, the Executive shall not use any confidential information of the Company or any of its affiliates to attempt to negatively influence any of the Company's or any of its affiliates' clients or customers from purchasing Company products or services or to solicit or influence or attempt to influence any client, customer or other person either directly or indirectly, to direct such person's or entity's purchase of products and/or services to any person, firm, corporation, institution or other entity in competition with the business of the Company or any of its affiliates.

(b) Specific Performance. In the event of the breach or threatened breach by the Executive of this Section 5, the Company, in addition to all other remedies available to it at law or in equity, will be entitled to seek injunctive relief and/or specific performance to enforce this Section 5.

6. Director and Officer Liability Insurance; Indemnification. During the term of the Executive's employment hereunder, the Executive shall be entitled to the same indemnification and director and officer liability insurance as the Company and its affiliates maintain for other corporate officers.

7. Proprietary Information and Inventions Assignment Agreement. The Executive has executed and delivered the Company's standard Employee Proprietary Information and Inventions Assignment Agreement or similar agreement and the Executive represents and warrants that the Executive shall continue to be bound and abide by such Employee Proprietary Information and Inventions Assignment Agreement or similar agreement.

8. Attention to Duties; Conflict of Interest. While employed by the Company, the Executive shall devote the Executive's full business time, energy and abilities exclusively to the business and interests of the Company, and shall perform all duties and services in a faithful and diligent manner and to the best of the Executive's abilities. The Executive shall not, without the Company's prior written consent, render to others services of any kind for compensation, or engage in any other business activity that would materially interfere with the performance of the Executive's duties under this Agreement. The Executive represents that the Executive has no other outstanding commitments inconsistent with any of the terms of this Agreement or the services to be rendered to the Company. While employed by the Company, the Executive shall not, directly or indirectly, whether as a partner, employee, creditor, shareholder, or otherwise, promote, participate or engage in any activity or other business competitive with the Company's business. The Executive shall not invest in any company or business which competes in any manner with the Company, except those companies whose securities are listed on reputable securities exchanges in the United States or European Union.

9. Miscellaneous.

(a) Severability. If any provision of this Agreement shall be found by any arbitrator or court of competent jurisdiction to be invalid or unenforceable, then the parties hereby waive such provision to the extent that it is found to be invalid or unenforceable and to the extent that to do so would not deprive one of the parties of the substantial benefit of its bargain. Such provision shall, to the extent allowable by law and the preceding sentence, be modified by such arbitrator or court so that it becomes enforceable and, as modified, shall be enforced as any other provision hereof, all the other provisions continuing in full force and effect.

(b) No Waiver. The failure by either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way affect the right to require such performance or compliance at any time thereafter. The waiver by either party of a breach of any provision hereof shall not be taken or held to be a waiver of any preceding or succeeding breach of such provision or as a waiver of the provision itself. No waiver of any kind shall be effective or binding, unless it is in writing and is signed by the party against whom such waiver is sought to be enforced.

(c) Assignment. This Agreement and all rights hereunder are personal to the Executive and may not be transferred or assigned by the Executive at any time. The Company may assign its rights, together with its obligations hereunder, to any parent, subsidiary, affiliate or successor, or in connection with any sale, transfer or other disposition of all or substantially all of its business and assets; *provided*, *however*, that any such assignee assumes the Company's obligations hereunder.

(d) Withholding. All sums payable to the Executive hereunder shall be reduced by all federal, state, local and other withholding and similar taxes and payments required by applicable law.

(e) Entire Agreement. This Agreement, including the agreements referred to herein (which are deemed incorporated by reference herein) constitute the entire and only agreement and understanding between the parties governing the terms and conditions of employment of the Executive with the Company and this Agreement supersedes and cancels any and all previous contracts, arrangements or understandings with governing the terms and conditions of the Executive's employment by the Company. In the event of any conflict between the terms of any other agreement between the Executive and the Company entered into prior to the Effective Date, the terms of this Agreement shall control.

(f) Amendment. This Agreement may be amended, modified, superseded, cancelled, renewed or extended only by an agreement in writing executed by both parties hereto.

(g) Headings. The headings contained in this Agreement are for reference purposes only and shall in no way affect the meaning or interpretation of this Agreement. In this Agreement, the singular includes the plural, the plural included the singular, the masculine gender includes both male and female referents, and the word "or" is used in the inclusive sense.

(h) Notices. Any notices provided hereunder must be in writing and shall be deemed effective upon the earlier of personal delivery (including, personal delivery by facsimile transmission or the third day after mailing by first class mail) to the Company at its primary office location and to the Executive at his address as listed on the Company payroll (which address may be changed by written notice).

(i) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which, taken together, constitute one and the same agreement.

(j) Governing Law, Forum Selection, Jury Waiver. This Agreement and the rights and obligations of the parties hereto shall be construed in accordance with the laws of the State of New Jersey without giving effect to the principles of conflict of laws. Any action, suit or other legal proceeding that is commenced to resolve any matter arising under or relating to any provision of this Agreement shall be commenced only in a court of the **State of New Jersey** (or, if appropriate, a federal court located within **District of New Jersey**), and the Company and the Executive each consents to the jurisdiction of such a court. *Both the Company and the Executive expressly waive any right that any party either has or may have to a jury trial of any dispute arising out of or in any way related to the Executive's employment with or termination from the Company* .

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Company and the Executive have executed this Executive Employment Agreement as of the date first above written.

PACIRA PHARMACEUTICALS, INC.:

By: /s/ Dave Stack
David Stack
Chief Executive Officer

EXECUTIVE:

/s/ Taunia Markvicka
Taunia Markvicka

EXHIBIT A

PAYMENTS SUBJECT TO SECTION 409A

1. Subject to this Exhibit A, any severance payments and benefits that may be due under the Agreement shall begin only upon the date of the Executive's "separation from service" (determined as set forth below) which occurs on or after the termination of the Executive's employment. The following rules shall apply with respect to distribution of the severance payments and benefits, if any, to be provided to the Executive under the Agreement, as applicable:

(a) It is intended that each installment of the severance payments and benefits under the Agreement provided under shall be treated as a separate "payment" for purposes of Section 409A. Neither the Company nor the Executive shall have the right to accelerate or defer the delivery of any such payments or benefits except to the extent specifically permitted or required by Section 409A.

(b) If, as of the date of the Executive's "separation from service" from the Company, the Executive is not a "specified employee" (within the meaning of Section 409A), then each installment of the severance payments or benefits shall be made on the dates and terms set forth in the Agreement.

(c) If, as of the date of the Executive's "separation from service" from the Company, the Executive is a "specified employee" (within the meaning of Section 409A), then:

(i) Each installment of the severance payments and benefits due under the Agreement that, in accordance with the dates and terms set forth herein, will in all circumstances, regardless of when the Executive's separation from service occurs, be paid within the short-term deferral period (as defined under Section 409A) shall be treated as a short-term deferral within the meaning of Treasury Regulation Section 1.409A-1(b)(4) to the maximum extent permissible under Section 409A and shall be paid at the time set forth in the Agreement; and

(ii) Each installment of the severance payments and benefits due under the Agreement that is not described in this Exhibit A, Section 1(c)(i) and that would, absent this subsection, be paid within the six-month period following the Executive's "separation from service" from the Company shall not be paid until the date that is six months and one day after such separation from service (or, if earlier, the Executive's death), with any such installments that are required to be delayed being accumulated during the six-month period and paid in a lump sum on the date that is six months and one day following the Executive's separation from service and any subsequent installments, if any, being paid in accordance with the dates and terms set forth herein; provided, however, that the preceding provisions of this sentence shall not apply to any installment of payments and benefits if and to the maximum extent that that such installment is deemed to be paid under a

separation pay plan that does not provide for a deferral of compensation by reason of the application of Treasury Regulation 1.409A-1(b)(9)(iii) (relating to separation pay upon an involuntary separation from service). Any installments that qualify for the exception under Treasury Regulation Section 1.409A-1(b)(9)(iii) must be paid no later than the last day of the Executive's second taxable year following the taxable year in which the separation from service occurs.

2. The determination of whether and when the Executive's separation from service from the Company has occurred shall be made and in a manner consistent with, and based on the presumptions set forth in, Treasury Regulation Section 1.409A-1(h). Solely for purposes of this Exhibit A , Section 2, "Company" shall include all persons with whom the Company would be considered a single employer under Section 414(b) and 414(c) of the Code.

3. The Company makes no representation or warranty and shall have no liability to the Executive or to any other person if any of the provisions of the Agreement (including this Exhibit) are determined to constitute deferred compensation subject to Section 409A but that do not satisfy an exemption from, or the conditions of, that section.

Exhibit 10.3

EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement (the "Agreement"), is entered into as of November 18, 2011 (the "Effective Date"), by and between Pacira Pharmaceuticals, Inc., a California corporation (the "Company"), and John Pratt (the "Executive").

RECITALS

WHEREAS, the Company wishes to continue to employ the Executive, and the Executive desires to continue to be employed by the Company, for such purpose and upon the terms and conditions hereinafter provided; and

WHEREAS, the parties wish to establish the terms of the Executive's future employment with the Company and set out fully their respective rights, obligations and duties.

AGREEMENT

In consideration of the promises and the terms and conditions set forth in this Agreement, the parties agree as follows:

1. Title and Capacity. The Company hereby agrees to continue to employ the Executive, and the Executive hereby accepts continued employment with the Company, under the terms set forth in this Agreement. The Executive will serve as the General Manager of the San Diego facility and shall perform such duties as are ordinary, customary and necessary in such role. The Executive will report directly to the Chief Executive Officer of the Company. The Executive shall devote his full business time, skill and attention to the performance of his duties on behalf of the Company.

2. Compensation and Benefits.

(a) Salary. The Company agrees to pay the Executive an annual base salary of Two Hundred and Fifty Thousand Dollars ($250,000) payable in accordance with Company's customary payroll practice (the "Base Salary"). The Executive's Base Salary shall be reviewed periodically by the Board of Directors of the Company (the "Board"); *provided*, *however*, that any such review will not necessarily result in an adjustment to the Executive's Base Salary. Any change in the Executive's Base Salary must be approved by the Board.

(b) Bonus. The Executive is eligible to receive, in addition to the Base Salary and subject to the terms hereof and at the full discretion of the Board, a targeted incentive bonus of thirty percent (30%) of Base Salary (the "Targeted Incentive Bonus"). The Targeted Incentive Bonus shall be based on the Executive's and the Company's performance during the applicable fiscal year, as determined by the Board. The Targeted Incentive Bonus criteria or "goals" will be determined by agreement between the Board and the Executive at beginning of each fiscal year. The award of the Target Incentive Bonus may be in an amount either above or below the amount specified by the Board at the beginning of each fiscal year based on the ultimate performance assessed by the Board.

Targeted Incentive Bonuses shall be determined and approved by the Board in its sole discretion.

All salary and bonuses shall be subject to all applicable withholdings and deductions.

(c) Stock Options. Company will grant to the Executive a stock option ("Option") to purchase an aggregate of thirty thousand (30,000) shares of the Company's common stock, $0.001 par value per share (the "Option Shares"), pursuant to the Company's 2011 Stock Option/Stock Issuance (the "Plan"). The exercise price, vesting schedule and other terms for the Option are set forth in the notice of grant and option agreement for such Option and the Option is subject to accelerated vesting as set forth in Section 3 hereof. Additional equity incentives, if any, shall be determined by the Board (or a committee thereof) in its sole discretion. All share figures set forth herein shall be subject to adjustment for stock splits, stock dividends, stock combinations, recapitalizations and similar events.

(d) One time Payment. The Company will provide the Executive with a lump sum payment of $30,000 in cash. This sum will be subject to all applicable taxes. This payment is also subject to reimbursement to the company on a pro-rata basis if the Executive resigns or is separated from employment within one (1) year of the start date for reasons within his control.

(e) Relocation. The Company will provide Executive with relocation assistance as per the company policy. This relocation assistance will assist in covering the cost of a move to the San Diego area. The relocation allowance will be provided in the following components: (1) up to 60 days of temporary housing; (2) packing, loading, hauling, insurance, first 30 days of temporary storage, unpacking of your household goods; (3) first and last or deposit on a rental property in the San Diego area . The company will arrange for a vendor to move household goods and automobile (maximum of one). The Company will arrange for either a realtor or an apartment rental locator to assist in finding a place of residence. Since non-deductible expenses are included as taxable income, the reimbursement of non-deductible expenses will be grossed up to cover applicable taxes at the statutory rate. Please note that the Relocation Policy states that new employees who resign their employment or are separated for reasons within their own control within twelve (12) months of their employment commencement date will be required to reimburse the Company pro rata share of the relocation expenses paid to them.

(f) Benefits. The Executive (and, where applicable, the Executive's qualified dependents) will be eligible to participate in health insurance and other employee benefit plans and policies established by the Company for its executive team from time to time on substantially the same terms as are made available to other such employees of the Company generally. The Executive's participation (and the participation of the Executive's qualified dependents) in the Company's benefit plans and policies will be subject to the terms of the applicable plan documents and the Company's generally applied policies, and the Company in its sole discretion may from time to time adopt, modify, interpret or discontinue such plans or policies.

(g) Expenses. The Company will reimburse the Executive for all reasonable and necessary expenses incurred by the Executive in connection with the Company's business, in accordance with the applicable Company policy as may be amended from time to time.

(h) Vacation and Holidays. The Executive shall be eligible for twenty five (25) days' paid vacation/flexible time off per calendar year subject to the applicable terms and conditions of the Company's vacation policy and applicable law.

(i) Termination of Benefits. Except as set forth in Section 3 or as otherwise specified herein or in any other agreement between the Executive and the Company, if the Executive's employment is terminated by the Company for any reason, with or without Cause (as defined below), or if the Executive resigns the Executive's employment voluntarily, with or without Good Reason (as defined below), no compensation or other payments will be paid or provided to the Executive for periods following the date when such a termination of employment is effective, provided that any rights the Executive may have under the Company's benefit plans shall be determined under the provisions of such plans. If the Executive's employment terminates as a result of the Executive's death or disability, no compensation or payments will be made to the Executive other than those to which the Executive may otherwise be entitled under the benefit plans of the Company.

3. Compensation and Benefits Upon Termination of Employment. Upon termination of the Executive's employment (such date of termination being referred to as the "Termination Date"), the Company will pay the Executive the compensation and benefits as described in this Section 3.

(a) General Benefits Upon Termination. The Company will pay the Executive on or about the Termination Date all salary and vacation/personal time off pay, if any, that has been earned or accrued through the Termination Date and that has not been previously paid.

(b) Termination without "Cause" or for "Good Reason". In the event that the Company terminates the Executive's employment without Cause (as defined below) or, in the event the Executive terminates her employment for Good Reason (as defined below), in each case, (i) the Executive shall be entitled to receive (A) continuing payments of the then effective Base Salary for a period of nine (9) months beginning on the Payment Commencement Date and payable in accordance with the Company's payroll policies and (B) the benefits set forth in Section 3(e), and (ii) the Executive shall be entitled to acceleration of vesting of such number of Option Shares as would have vested in the nine (9)month period following the Termination Date had the Executive continued to be employed by the Company for such period, *provided*, *however* that in each case the receipt of such payments and benefits is expressly contingent upon the Executive's execution and delivery of a severance and release of claims agreement drafted by and satisfactory to counsel for the Company (the "Release") which Release must be executed and become effective within sixty (60) days following the Termination Date. The payments and benefits shall be paid or commence on the first payroll period following the date the Release becomes effective (the " Payment Commencement Date"). Notwithstanding the foregoing, if the 60th day following the Termination Date occurs in the calendar year following the termination, then the Payment Commencement Date shall be no earlier than January 1st of such subsequent

calendar year. The provision of payments and benefits pursuant to this Section shall be subject to the terms and conditions set forth on Exhibit A.

(c) Termination without "Cause" or for "Good Reason" Prior to or Following a Change of Control . In the event that the Company terminates the Executive's employment without Cause (as defined below) or, in the event the Executive terminates her employment for Good Reason (as defined below), in each case, within thirty (30) days prior to, or twelve (12) months following, the consummation of a Change of Control, then (i) the Executive shall be entitled to receive (A) continuing payments of the then effective Base Salary for a period of nine (9)months beginning on the Payment Commencement Date and payable in accordance with the Company's payroll policies and (B) the benefits set forth in Section 3(e), and (ii) acceleration of vesting of one hundred percent (100%) of the then unvested Option Shares, provided, however that in each case: (x), the receipt of such payments and benefits is expressly contingent upon the Executive's execution and delivery of a Release as described above drafted by and satisfactory to counsel for the Company, which Release must be executed and become effective within sixty (60) days following the Termination Date. The provision of payments and benefits pursuant to this Section shall be subject to the terms and conditions set forth in Exhibit A.

(d) Definitions.

(i) "Change of Control" means (A) a merger or consolidation of either the Company or Pacira, Inc., a Delaware corporation ("Parent") into another entity in which the stockholders of the Company or Parent (as applicable) do not control fifty percent (50%) or more of the total voting power of the surviving entity (other than a reincorporation merger); (B) the sale, transfer or other disposition of all or substantially all of the Company's assets in liquidation or dissolution of the Company; or (C) the sale or transfer of more than fifty percent (50%) of the outstanding voting stock of the Company. In the case of each of the foregoing clauses (A), (B) and (C), a Change of Control as a result of a financing transaction of the Company or Parent shall not constitute a Change of Control for purposes of this Agreement

(ii) "Cause" means (A) the Executive's failure to substantially perform her duties to the Company after there has been delivered to the Executive written notice setting forth in detail the specific respects in which the Board believes that the Executive has not substantially performed his duties and, if the Company reasonably considers the situation to be correctable, a demand for substantial performance and opportunity to cure, giving the Executive thirty (30) calendar days after he receives such notice to correct the situation; (B) the Executive's having engaged in fraud, misconduct, dishonesty, gross negligence or having otherwise acted in a manner injurious to the Company or in intentional disregard for the Company's best interests; (C) the Executive's failure to follow reasonable and lawful instructions from the Board and the Executive's failure to cure such failure after receiving twenty (20) days advance written notice; (D) the Executive's material breach of the terms of this Agreement or the Employee Proprietary Information and Inventions Assignment Agreement or any other similar agreement that may be in effect from time to time; or (E) the Executive's conviction of, or pleading guilty or nolo contendere to, any misdemeanor involving dishonesty or moral turpitude or related to the Company's business, or any felony.

(iii) "Good Reason" means the occurrence of any one or more of the following events without the prior written consent of the Executive: (A) any material reduction of the then effective Base Salary other than in accordance with this Agreement or which reduction is not related to a cross-executive team salary reduction; (B) any material breach by the Company of this Agreement; or (C) a material reduction in the Executive's responsibilities or duties, provided that in the case of clause (C), a mere reassignment following a Change of Control to a position that is substantially similar to the position held prior to the Change of Control transaction shall not constitute a material reduction in job responsibilities or duties; provided, however, that no such event or condition shall constitute Good Reason unless (x) the Executive gives the Company a written notice of termination for Good Reason not more than ninety (90) days after the initial existence of the condition, (y) the grounds for termination (if susceptible to correction) are not corrected by the Company within thirty (30) days of its receipt of such notice and (z) the Termination Date occurs within one (1) year following the Company's receipt of such notice.

(e) Benefits Continuation. If the Executive's employment is terminated pursuant to Section 3(b) or Section 3(c) and provided that the Executive is eligible for and elects to continue receiving group health and dental insurance pursuant to the federal "COBRA" law, 29 U.S.C. § 1161 et seq., the Company will, for a twelve (12) month period following the Payment Commencement Date (the " Benefits Continuation Period"), continue to pay the share of the premium for such coverage that is paid by the Company for active and similarly-situated employees who receive the same type of coverage. The remaining balance of any premium costs shall be paid by the Executive on a monthly basis for as long as, and to the extent that, the Executive remains eligible for COBRA continuation. Notwithstanding the above, in the event the Executive becomes eligible for health insurance benefits from a new employer during the Benefits Continuation Period, the Company's obligations under this Section 3(e) shall immediately cease and the Executive shall not be entitled to any additional monthly premium payments for health insurance coverage. Similarly, in the event the Executive becomes eligible for dental insurance benefits from a new employer during the Benefits Continuation Period, the Company's obligations under this Section 3(e) shall immediately cease and the Executive shall not be entitled to any additional monthly premium payments for dental insurance. The Executive hereby represents that he will notify the Company in writing within three (3) days of becoming eligible for health or dental insurance benefits from a new employer during the Benefits Continuation Period

(f) Death. This Agreement shall automatically terminate upon the death of the Executive and all monetary obligations of Company under Section 2 of this Agreement shall be pro rated to the date of death and paid to the Executive's estate.

(g) Disability. The Company may terminate the Executive's employment if the Executive is unable to perform any of the duties required under this Agreement for a period of three (3) consecutive months due to a "Total and Permanent Disability". The term " Total and Permanent Disability" shall mean the existence of a permanent physical or mental illness or injury, which renders the Executive incapable of performing any material obligations or terms of this Agreement. Any dispute regarding the existence of a Total and Permanent Disability shall be resolved by a panel of three (3) physicians, one selected by Company, one selected by the

Executive, and the third selected by the other two physicians. A termination of employment pursuant to this Section 3(f) shall constitute a termination for Cause.

4. At-Will Employment. The Executive will be an "at-will" employee of the Company, which means the employment relationship can be terminated by either the Executive or the Company for any reason, at any time, with or without prior notice and with or without cause. The Company makes no promise that the Executive's employment will continue for any particular period of time, nor is there any promise that it will be terminated only under particular circumstances. No raise or bonus, if any, shall alter the Executive's status as an "at-will" employee or create any implied contract of employment. Discussion of possible or potential benefits in future years is not an express or implied promise of continued employment. No manager, supervisor or officer of the Company has the authority to change the Executive's status as an "at-will" employee. The "at-will" nature of the employment relationship with the Executive can only be altered by a written resolution approved by the Board.

5. Non-Solicitation.

(a) Non-Solicit. The Executive agrees that during the term of the Executive's employment with the Company, and for a period of twelve (12) months immediately following the termination of the Executive's employment with the Company for any reason, whether with or without Cause or Good Reason, the Executive shall not either directly or indirectly solicit, induce, recruit or encourage any of the Company's or its affiliates' employees or consultants to terminate such employee's or consultant's relationship with the Company or its affiliates, or attempt to solicit, induce, recruit, encourage or take away employees or consultants of the Company or any of its affiliates, either for the Executive or for any other person or entity. Further, during the Executive's employment with the Company or any of its affiliates and at any time following termination of the Executive's employment with the Company or any of its affiliates for any reason, with or without Cause or Good Reason, the Executive shall not use any confidential information of the Company or any of its affiliates to attempt to negatively influence any of the Company's or any of its affiliates' clients or customers from purchasing Company products or services or to solicit or influence or attempt to influence any client, customer or other person either directly or indirectly, to direct such person's or entity's purchase of products and/or services to any person, firm, corporation, institution or other entity in competition with the business of the Company or any of its affiliates.

(b) Specific Performance. In the event of the breach or threatened breach by the Executive of this Section 5, the Company, in addition to all other remedies available to it at law or in equity, will be entitled to seek injunctive relief and/or specific performance to enforce this Section 5.

6. Director and Officer Liability Insurance; Indemnification. During the term of the Executive's employment hereunder, the Executive shall be entitled to the same indemnification and director and officer liability insurance as the Company and its affiliates maintain for other corporate officers.

7. Proprietary Information and Inventions Assignment Agreement . The Executive has executed and delivered the Company's standard Employee Proprietary Information and Inventions Assignment Agreement or similar agreement and the Executive represents and warrants that the Executive shall continue to be bound and abide by such Employee Proprietary Information and Inventions Assignment Agreement or similar agreement.

8. Attention to Duties; Conflict of Interest . While employed by the Company, the Executive shall devote the Executive's full business time, energy and abilities exclusively to the business and interests of the Company, and shall perform all duties and services in a faithful and diligent manner and to the best of the Executive's abilities. The Executive shall not, without the Company's prior written consent, render to others services of any kind for compensation, or engage in any other business activity that would materially interfere with the performance of the Executive's duties under this Agreement. The Executive represents that the Executive has no other outstanding commitments inconsistent with any of the terms of this Agreement or the services to be rendered to the Company. While employed by the Company, the Executive shall not, directly or indirectly, whether as a partner, employee, creditor, shareholder, or otherwise, promote, participate or engage in any activity or other business competitive with the Company's business. The Executive shall not invest in any company or business which competes in any manner with the Company, except those companies whose securities are listed on reputable securities exchanges in the United States or European Union.

9. Miscellaneous.

(a) Severability. If any provision of this Agreement shall be found by any arbitrator or court of competent jurisdiction to be invalid or unenforceable, then the parties hereby waive such provision to the extent that it is found to be invalid or unenforceable and to the extent that to do so would not deprive one of the parties of the substantial benefit of its bargain. Such provision shall, to the extent allowable by law and the preceding sentence, be modified by such arbitrator or court so that it becomes enforceable and, as modified, shall be enforced as any other provision hereof, all the other provisions continuing in full force and effect.

(b) No Waiver. The failure by either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way affect the right to require such performance or compliance at any time thereafter. The waiver by either party of a breach of any provision hereof shall not be taken or held to be a waiver of any preceding or succeeding breach of such provision or as a waiver of the provision itself. No waiver of any kind shall be effective or binding, unless it is in writing and is signed by the party against whom such waiver is sought to be enforced.

(c) Assignment. This Agreement and all rights hereunder are personal to the Executive and may not be transferred or assigned by the Executive at any time. The Company may assign its rights, together with its obligations hereunder, to any parent, subsidiary, affiliate or successor, or in connection with any sale, transfer or other disposition of all or substantially all of its business and assets; *provided*, *however*, that any such assignee assumes the Company's obligations hereunder.

(d) Withholding. All sums payable to the Executive hereunder shall be reduced by all federal, state, local and other withholding and similar taxes and payments required by applicable law.

(e) Entire Agreement. This Agreement, including the agreements referred to herein (which are deemed incorporated by reference herein) constitute the entire and only agreement and understanding between the parties governing the terms and conditions of employment of the Executive with the Company and this Agreement supersedes and cancels any and all previous contracts, arrangements or understandings with governing the terms and conditions of the Executive's employment by the Company. In the event of any conflict between the terms of any other agreement between the Executive and the Company entered into prior to the Effective Date, the terms of this Agreement shall control.

(f) Amendment. This Agreement may be amended, modified, superseded, cancelled, renewed or extended only by an agreement in writing executed by both parties hereto.

(g) Headings. The headings contained in this Agreement are for reference purposes only and shall in no way affect the meaning or interpretation of this Agreement. In this Agreement, the singular includes the plural, the plural included the singular, the masculine gender includes both male and female referents, and the word "or" is used in the inclusive sense.

(h) Notices. Any notices provided hereunder must be in writing and shall be deemed effective upon the earlier of personal delivery (including, personal delivery by facsimile transmission or the third day after mailing by first class mail) to the Company at its primary office location and to the Executive at his address as listed on the Company payroll (which address may be changed by written notice).

(i) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which, taken together, constitute one and the same agreement.

(j) Governing Law, Forum Selection, Jury Waiver. This Agreement and the rights and obligations of the parties hereto shall be construed in accordance with the laws of the State of California without giving effect to the principles of conflict of laws. Any action, suit or other legal proceeding that is commenced to resolve any matter arising under or relating to any provision of this Agreement shall be commenced only in a court of the **State of California** (or, if appropriate, a federal court located within **Southern District of California**), and the Company and the Executive each consents to the jurisdiction of such a court. *Both the Company and the Executive expressly waive any right that any party either has or may have to a jury trial of any dispute arising out of or in any way related to the Executive's employment with or termination from the Company* .

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Company and the Executive have executed this Executive Employment Agreement as of the date first above written.

PACIRA PHARMACEUTICALS, INC.:

By: /s/ Dave Stack
David Stack
Chief Executive Officer

EXECUTIVE:

/s/ John Pratt
John Pratt

EXHIBIT A

PAYMENTS SUBJECT TO SECTION 409A

1. Subject to this Exhibit A, any severance payments and benefits that may be due under the Agreement shall begin only upon the date of the Executive's "separation from service" (determined as set forth below) which occurs on or after the termination of the Executive's employment. The following rules shall apply with respect to distribution of the severance payments and benefits, if any, to be provided to the Executive under the Agreement, as applicable:

(a) It is intended that each installment of the severance payments and benefits under the Agreement provided under shall be treated as a separate "payment" for purposes of Section 409A. Neither the Company nor the Executive shall have the right to accelerate or defer the delivery of any such payments or benefits except to the extent specifically permitted or required by Section 409A.

(b) If, as of the date of the Executive's "separation from service" from the Company, the Executive is not a "specified employee" (within the meaning of Section 409A), then each installment of the severance payments or benefits shall be made on the dates and terms set forth in the Agreement.

(c) If, as of the date of the Executive's "separation from service" from the Company, the Executive is a "specified employee" (within the meaning of Section 409A), then:

(i) Each installment of the severance payments and benefits due under the Agreement that, in accordance with the dates and terms set forth herein, will in all circumstances, regardless of when the Executive's separation from service occurs, be paid within the short-term deferral period (as defined under Section 409A) shall be treated as a short-term deferral within the meaning of Treasury Regulation Section 1.409A-1(b)(4) to the maximum extent permissible under Section 409A and shall be paid at the time set forth in the Agreement; and

(ii) Each installment of the severance payments and benefits due under the Agreement that is not described in this Exhibit A, Section 1(c)(i) and that would, absent this subsection, be paid within the six-month period following the Executive's "separation from service" from the Company shall not be paid until the date that is six months and one day after such separation from service (or, if earlier, the Executive's death), with any such installments that are required to be delayed being accumulated during the six-month period and paid in a lump sum on the date that is six months and one day following the Executive's separation from service and any subsequent installments, if any, being paid in accordance with the dates and terms set forth herein; provided, however, that the preceding provisions of this sentence shall not apply to any installment of payments and benefits if and to the maximum extent that that such installment is deemed to be paid under a

separation pay plan that does not provide for a deferral of compensation by reason of the application of Treasury Regulation 1.409A-1(b)(9)(iii) (relating to separation pay upon an involuntary separation from service). Any installments that qualify for the exception under Treasury Regulation Section 1.409A-1(b)(9)(iii) must be paid no later than the last day of the Executive's second taxable year following the taxable year in which the separation from service occurs.

2. The determination of whether and when the Executive's separation from service from the Company has occurred shall be made and in a manner consistent with, and based on the presumptions set forth in, Treasury Regulation Section 1.409A-1(h). Solely for purposes of this Exhibit A , Section 2, "Company" shall include all persons with whom the Company would be considered a single employer under Section 414(b) and 414(c) of the Code.

3. The Company makes no representation or warranty and shall have no liability to the Executive or to any other person if any of the provisions of the Agreement (including this Exhibit) are determined to constitute deferred compensation subject to Section 409A but that do not satisfy an exemption from, or the conditions of, that section.

Exhibit 10.4

EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement"), is entered into as of April 19, 2012 (the "Effective Date"), by and between Pacira Pharmaceuticals, Inc., a California corporation (the "Company"), and Lauren Riker (the "Employee").

RECITALS

WHEREAS, the Company wishes to continue to employ the Employee, and the Employee desires to continue to be employed by the Company, for such purpose and upon the terms and conditions hereinafter provided; and

WHEREAS, the parties wish to establish the terms of the Employee's future employment with the Company and set out fully their respective rights, obligations and duties.

AGREEMENT

In consideration of the promises and the terms and conditions set forth in this Agreement, the parties agree as follows:

1. Title and Capacity. The Company hereby agrees to continue to employ the Employee, and the Employee hereby accepts continued employment with the Company, under the terms set forth in this Agreement. The Employee will serve as the Executive Director, Account and Reporting and Principal Accounting Officer of the Company and shall perform such duties as are ordinary, customary and necessary in such role. The Employee will report directly to the Chief Financial Officer of the Company. The Employee shall devote her full business time, skill and attention to the performance of her duties on behalf of the Company.

2. Compensation and Benefits.

(a) Salary. The Company agrees to pay the Employee an annual base salary of Two Hundred Eleven Thousand and Five Hundred Twenty Dollars ($211,520) payable in accordance with Company's customary payroll practice (the "Base Salary"). The Employee's Base Salary shall be reviewed periodically by the Chief Financial Officer or Chief Executive Officer of the Company; *provided*, *however*, that any such review will not necessarily result in an adjustment to the Employee's Base Salary.

(b) Bonus. The Employee is eligible to receive, in addition to the Base Salary and subject to the terms hereof and at the full discretion of the Chief Financial Officer and/or Chief Executive Officer, a targeted incentive bonus of twenty-five percent (25%) of Base Salary (the " Targeted Incentive Bonus"). The Targeted Incentive Bonus shall be based on the Employee's and the Company's performance during the applicable fiscal year. The Targeted Incentive Bonus criteria or "goals" will be determined by agreement between the Chief Financial Officer and/or Chief Executive Officer and the Employee at beginning of each fiscal year. The award of the Target Incentive Bonus may be in an amount either above or below the amount specified by the Chief Financial Officer and/or Chief Executive Officer at the beginning of each

fiscal year based on the ultimate performance assessed by the Chief Financial Officer and/or Chief Executive Officer

The Targeted Incentive Bonus, if awarded, shall be payable in the first payroll period in 2013, but in no event later than March 15, 2013. Targeted Incentive Bonuses for subsequent years shall be determined and approved by the Chief Financial Officer and/or Chief Executive Officer in their sole discretion.

All salary and bonuses shall be subject to all applicable withholdings and deductions.

(c) Stock Options. On May 11, 2011, the Company granted to the Employee stock options (each an "Option" and collectively, the "Options") to purchase an aggregate of forty thousand (40,000) shares of the Company's common stock, $0.001 par value per share (the " Option Shares"), pursuant to the Company's 2011 Stock Option/Stock Issuance (the "Plan"). The exercise price, vesting schedule and other terms for each of the Options are set forth in the notice of grant and option agreement for each such Option and the Options are subject to accelerated vesting as set forth in Section 3 hereof. Additional equity incentives, if any, shall be determined by the Board (or a committee thereof) in its sole discretion. All share figures set forth herein shall be subject to adjustment for stock splits, stock dividends, stock combinations, recapitalizations and similar events.

(d) Benefits. The Employee(and, where applicable, the employee's qualified dependents) will be eligible to participate in health insurance and other employee benefit plans and policies established by the Company for its employees from time to time on substantially the same terms as are made available to other such employees of the Company generally. The Employee's participation (and the participation of the Employee's qualified dependents) in the Company's benefit plans and policies will be subject to the terms of the applicable plan documents and the Company's generally applied policies, and the Company in its sole discretion may from time to time adopt, modify, interpret or discontinue such plans or policies.

(e) Expenses. The Company will reimburse the Employee for all reasonable and necessary expenses incurred by the Employee in connection with the Company's business, in accordance with the applicable Company policy as may be amended from time to time.

(f) Vacation and Holidays. The Employee shall be eligible for thirty (30 days' paid vacation/flexible time off per calendar year subject to the applicable terms and conditions of the Company's vacation policy and applicable law.

(g) Termination of Benefits. Except as set forth in Section 3 or as otherwise specified herein or in any other agreement between the Employee and the Company, if the Employee's employment is terminated by the Company for any reason, with or without Cause (as defined below), or if the Employee resigns the Employee's employment voluntarily, with or without Good Reason (as defined below), no compensation or other payments will be paid or provided to the Employee for periods following the date when such a termination of employment is effective, provided that any rights the Employee may have under the Company's benefit plans

shall be determined under the provisions of such plans. If the Employee's employment terminates as a result of the Employee's death or disability, no compensation or payments will be made to the Employee other than those to which the Employee may otherwise be entitled under the benefit plans of the Company.

3. Compensation and Benefits Upon Termination of Employment. Upon termination of the Employee's employment (such date of termination being referred to as the "Termination Date"), the Company will pay the Employee the compensation and benefits as described in this Section 3.

(a) General Benefits Upon Termination. The Company will pay the Employee on or about the Termination Date all salary and vacation/personal time off pay, if any, that has been earned or accrued through the Termination Date and that has not been previously paid.

(b) Termination without "Cause" or for "Good Reason". In the event that the Company terminates the Employee's employment without Cause (as defined below) or, in the event the Employee terminates her employment for Good Reason (as defined below), in each case, (i) the Employee shall be entitled to receive (A) continuing payments of the then effective Base Salary for a period of nine (9) months beginning on the Payment Commencement Date and payable in accordance with the Company's payroll policies and (B) the benefits set forth in Section 3(e), and (ii) the Employee shall be entitled to acceleration of vesting of such number of Option Shares as would have vested in the nine (9) month period following the Termination Date had the Employee continued to be employed by the Company for such period, *provided*, *however* that in each case the receipt of such payments and benefits is expressly contingent upon the Employee's execution and delivery of a severance and release of claims agreement drafted by and satisfactory to counsel for the Company (the "Release") which Release must be executed and become effective within sixty (60) days following the Termination Date. The payments and benefits shall be paid or commence on the first payroll period following the date the Release becomes effective (the " Payment Commencement Date"). Notwithstanding the foregoing, if the 60th day following the Termination Date occurs in the calendar year following the termination, then the Payment Commencement Date shall be no earlier than January 1st of such subsequent calendar year. The provision of payments and benefits pursuant to this Section shall be subject to the terms and conditions set forth on Exhibit A.

(c) Termination without "Cause" or for "Good Reason" Prior to or Following a Change of Control . In the event that the Company terminates the Employee's employment without Cause (as defined below) or, in the event the Employee terminates her employment for Good Reason (as defined below), in each case, within thirty (30) days prior to, or twelve (12) months following, the consummation of a Change of Control, then (i) the Employee shall be entitled to receive (A) continuing payments of the then effective Base Salary for a period of nine (9)months beginning on the Payment Commencement Date and payable in accordance with the Company's payroll policies and (B) the benefits set forth in Section 3(e), and (ii) acceleration of vesting of one hundred percent (100%) of the then unvested Option Shares, provided, however that in each case: (x), the receipt of such payments and benefits is expressly contingent upon the Employee's execution and delivery of a Release as described above drafted by and satisfactory to counsel for the Company, which Release must be executed and become effective within sixty

(60) days following the Termination Date. The provision of payments and benefits pursuant to this Section shall be subject to the terms and conditions set forth in Exhibit A.

(d) Definitions.

(i) "Change of Control" means (A) a merger or consolidation of either the Company or Pacira, Inc., a Delaware corporation ("Parent") into another entity in which the stockholders of the Company or Parent (as applicable) do not control fifty percent (50%) or more of the total voting power of the surviving entity (other than a reincorporation merger); (B) the sale, transfer or other disposition of all or substantially all of the Company's assets in liquidation or dissolution of the Company; or (C) the sale or transfer of more than fifty percent (50%) of the outstanding voting stock of the Company. In the case of each of the foregoing clauses (A), (B) and (C), a Change of Control as a result of a financing transaction of the Company or Parent shall not constitute a Change of Control for purposes of this Agreement

(ii) "Cause" means (A) the Employee's failure to substantially perform her duties to the Company after there has been delivered to the Employee written notice setting forth in detail the specific respects in which the Chief Financial Officer and/or Chief Executive Officer believes that the Employee has not substantially performed her duties and, if the Company reasonably considers the situation to be correctable, a demand for substantial performance and opportunity to cure, giving the Employee thirty (30) calendar days after he receives such notice to correct the situation; (B) the Employee's having engaged in fraud, misconduct, dishonesty, gross negligence or having otherwise acted in a manner injurious to the Company or in intentional disregard for the Company's best interests; (C) the Employee's failure to follow reasonable and lawful instructions from the Chief Financial Officer and/or Chief Executive Officer and the Employee's failure to cure such failure after receiving twenty (20) days advance written notice; (D) the Employee's material breach of the terms of this Agreement or the Employee Proprietary Information and Inventions Assignment Agreement or any other similar agreement that may be in effect from time to time; or (E) the Employee's conviction of, or pleading guilty or nolo contendere to, any misdemeanor involving dishonesty or moral turpitude or related to the Company's business, or any felony.

(iii) "Good Reason" means the occurrence of any one or more of the following events without the prior written consent of the Executive: (A) any material reduction of the then effective Base Salary other than in accordance with this Agreement or which reduction is not related to a cross-executive team salary reduction; (B) any material breach by the Company of this Agreement; or (C) a material reduction in the Employee's responsibilities or duties, provided that in the case of clause (C), a mere reassignment following a Change of Control to a position that is substantially similar to the position held prior to the Change of Control transaction shall not constitute a material reduction in job responsibilities or duties; provided, however, that no such event or condition shall constitute Good Reason unless (x) the Employee gives the Company a written notice of termination for Good Reason not more than ninety (90) days after the initial existence of the condition, (y) the grounds for termination (if susceptible to correction) are not corrected by the Company within thirty (30) days of its receipt of such notice and (z) the Termination Date occurs within one (1) year following the Company's receipt of such notice.

(e) Benefits Continuation. If the Employee's employment is terminated pursuant to Section 3(b) or Section 3(c) and provided that the Employee is eligible for and elects to continue receiving group health and dental insurance pursuant to the federal "COBRA" law, 29 U.S.C. § 1161 et seq., the Company will, for a twelve (12) month period following the Payment Commencement Date (the " Benefits Continuation Period"), continue to pay the share of the premium for such coverage that is paid by the Company for active and similarly-situated employees who receive the same type of coverage. The remaining balance of any premium costs shall be paid by the Employee on a monthly basis for as long as, and to the extent that, the Employee remains eligible for COBRA continuation. Notwithstanding the above, in the event the Employee becomes eligible for health insurance benefits from a new employer during the Benefits Continuation Period, the Company's obligations under this Section 3(e) shall immediately cease and the Employee shall not be entitled to any additional monthly premium payments for health insurance coverage. Similarly, in the event the Employee becomes eligible for dental insurance benefits from a new employer during the Benefits Continuation Period, the Company's obligations under this Section 3(e) shall immediately cease and the Employee shall not be entitled to any additional monthly premium payments for dental insurance. The Employee hereby represents that he will notify the Company in writing within three (3) days of becoming eligible for health or dental insurance benefits from a new employer during the Benefits Continuation Period

(f) Death. This Agreement shall automatically terminate upon the death of the Employee and all monetary obligations of Company under Section 2 of this Agreement shall be pro rated to the date of death and paid to the Employee's estate.

(g) Disability. The Company may terminate the Employee's employment if the Employee is unable to perform any of the duties required under this Agreement for a period of three (3) consecutive months due to a "Total and Permanent Disability". The term " Total and Permanent Disability" shall mean the existence of a permanent physical or mental illness or injury, which renders the Employee incapable of performing any material obligations or terms of this Agreement. Any dispute regarding the existence of a Total and Permanent Disability shall be resolved by a panel of three (3) physicians, one selected by Company, one selected by the Executive, and the third selected by the other two physicians. A termination of employment pursuant to this Section 3(f) shall constitute a termination for Cause.

4. At-Will Employment. The Employee will be an "at-will" employee of the Company, which means the employment relationship can be terminated by either the Employee or the Company for any reason, at any time, with or without prior notice and with or without cause. The Company makes no promise that the Employee's employment will continue for any particular period of time, nor is there any promise that it will be terminated only under particular circumstances. No raise or bonus, if any, shall alter the Employee's status as an "at-will" employee or create any implied contract of employment. Discussion of possible or potential benefits in future years is not an express or implied promise of continued employment. No manager, supervisor or officer of the Company has the authority to change the Employee's status as an "at-will" employee. The "at-will" nature of the employment relationship with the Employee can only be altered by a written resolution approved by the Board.

5. Non-Solicitation.

(a) Non-Solicit. The Employee agrees that during the term of the Employee's employment with the Company, and for a period of twelve (12) months immediately following the termination of the Employee's employment with the Company for any reason, whether with or without Cause or Good Reason, the Employee shall not either directly or indirectly solicit, induce, recruit or encourage any of the Company's or its affiliates' employees or consultants to terminate such employee's or consultant's relationship with the Company or its affiliates, or attempt to solicit, induce, recruit, encourage or take away employees or consultants of the Company or any of its affiliates, either for the Employee or for any other person or entity except such restrictions shall not apply to any employee who was at any time an employee or consultant of Stack Pharmaceuticals, Inc. Further, during the Employee's employment with the Company or any of its affiliates and at any time following termination of the Employee's employment with the Company or any of its affiliates for any reason, with or without Cause or Good Reason, the Employee shall not use any confidential information of the Company or any of its affiliates to attempt to negatively influence any of the Company's or any of its affiliates' clients or customers from purchasing Company products or services or to solicit or influence or attempt to influence any client, customer or other person either directly or indirectly, to direct such person's or entity's purchase of products and/or services to any person, firm, corporation, institution or other entity in competition with the business of the Company or any of its affiliates.

(b) Specific Performance. In the event of the breach or threatened breach by the Employee of this Section 5, the Company, in addition to all other remedies available to it at law or in equity, will be entitled to seek injunctive relief and/or specific performance to enforce this Section 5.

6. Director and Officer Liability Insurance; Indemnification. During the term of the Employee's employment hereunder, the Employee shall be entitled to the same indemnification and director and officer liability insurance as the Company and its affiliates maintain for other corporate officers.

7. Proprietary Information and Inventions Assignment Agreement. The Employee has executed and delivered the Company's standard Employee Proprietary Information and Inventions Assignment Agreement or similar agreement and the Employee represents and warrants that the Employee shall continue to be bound and abide by such Employee Proprietary Information and Inventions Assignment Agreement or similar agreement.

8. Attention to Duties; Conflict of Interest. While employed by the Company, the Employee shall devote the Employee's full business time, energy and abilities exclusively to the business and interests of the Company, and shall perform all duties and services in a faithful and diligent manner and to the best of the Employee's abilities. The Employee shall not, without the Company's prior written consent, render to others services of any kind for compensation, or engage in any other business activity that would materially interfere with the performance of the Employee's duties under this Agreement. The Employee represents that the Employee has no other outstanding commitments inconsistent with any of the terms of this Agreement or the services to be rendered to the Company. While employed by the Company, the Employee shall

not, directly or indirectly, whether as a partner, employee, creditor, shareholder, or otherwise, promote, participate or engage in any activity or other business competitive with the Company's business. The Employee shall not invest in any company or business which competes in any manner with the Company, except those companies whose securities are listed on reputable securities exchanges in the United States or European Union.

9. Miscellaneous.

(a) Severability. If any provision of this Agreement shall be found by any arbitrator or court of competent jurisdiction to be invalid or unenforceable, then the parties hereby waive such provision to the extent that it is found to be invalid or unenforceable and to the extent that to do so would not deprive one of the parties of the substantial benefit of its bargain. Such provision shall, to the extent allowable by law and the preceding sentence, be modified by such arbitrator or court so that it becomes enforceable and, as modified, shall be enforced as any other provision hereof, all the other provisions continuing in full force and effect.

(b) No Waiver. The failure by either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way affect the right to require such performance or compliance at any time thereafter. The waiver by either party of a breach of any provision hereof shall not be taken or held to be a waiver of any preceding or succeeding breach of such provision or as a waiver of the provision itself. No waiver of any kind shall be effective or binding, unless it is in writing and is signed by the party against whom such waiver is sought to be enforced.

(c) Assignment. This Agreement and all rights hereunder are personal to the Employee and may not be transferred or assigned by the Employee at any time. The Company may assign its rights, together with its obligations hereunder, to any parent, subsidiary, affiliate or successor, or in connection with any sale, transfer or other disposition of all or substantially all of its business and assets; *provided*, *however*, that any such assignee assumes the Company's obligations hereunder.

(d) Withholding. All sums payable to the Employee hereunder shall be reduced by all federal, state, local and other withholding and similar taxes and payments required by applicable law.

(e) Entire Agreement. This Agreement, including the agreements referred to herein (which are deemed incorporated by reference herein) constitute the entire and only agreement and understanding between the parties governing the terms and conditions of employment of the Employee with the Company and this Agreement supersedes and cancels any and all previous contracts, arrangements or understandings with governing the terms and conditions of the Employee's employment by the Company. In the event of any conflict between the terms of any other agreement between the Employee and the Company entered into prior to the Effective Date, the terms of this Agreement shall control.

(f) Amendment. This Agreement may be amended, modified, superseded, cancelled, renewed or extended only by an agreement in writing executed by both parties hereto.

(g) Headings. The headings contained in this Agreement are for reference purposes only and shall in no way affect the meaning or interpretation of this Agreement. In this Agreement, the singular includes the plural, the plural included the singular, the masculine gender includes both male and female referents, and the word "or" is used in the inclusive sense.

(h) Notices. Any notices provided hereunder must be in writing and shall be deemed effective upon the earlier of personal delivery (including, personal delivery by facsimile transmission or the third day after mailing by first class mail) to the Company at its primary office location and to the Employee at her address as listed on the Company payroll (which address may be changed by written notice).

(i) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which, taken together, constitute one and the same agreement.

(j) Governing Law, Forum Selection, Jury Waiver. This Agreement and the rights and obligations of the parties hereto shall be construed in accordance with the laws of the State of New Jersey without giving effect to the principles of conflict of laws. Any action, suit or other legal proceeding that is commenced to resolve any matter arising under or relating to any provision of this Agreement shall be commenced only in a court of the **State of New Jersey** (or, if appropriate, a federal court located within **District of New Jersey**), and the Company and the Employee each consents to the jurisdiction of such a court. *Both the Company and the Employee expressly waive any right that any party either has or may have to a jury trial of any dispute arising out of or in any way related to the Employee's employment with or termination from the Company* .

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Company and the Employee have executed this Employment Agreement as of the date first above written.

PACIRA PHARMACEUTICALS, INC.:

By: /s/ Dave Stack
David Stack
Chief Executive Officer

EMPLOYEE:

/s/ Lauren Riker
Lauren Riker

EXHIBIT A

PAYMENTS SUBJECT TO SECTION 409A

1. Subject to this Exhibit A, any severance payments and benefits that may be due under the Agreement shall begin only upon the date of the Employee's "separation from service" (determined as set forth below) which occurs on or after the termination of the Employee's employment. The following rules shall apply with respect to distribution of the severance payments and benefits, if any, to be provided to the Employee under the Agreement, as applicable:

(a) It is intended that each installment of the severance payments and benefits under the Agreement provided under shall be treated as a separate "payment" for purposes of Section 409A. Neither the Company nor the Employee shall have the right to accelerate or defer the delivery of any such payments or benefits except to the extent specifically permitted or required by Section 409A.

(b) If, as of the date of the Employee's "separation from service" from the Company, the Employee is not a "specified employee" (within the meaning of Section 409A), then each installment of the severance payments or benefits shall be made on the dates and terms set forth in the Agreement.

(c) If, as of the date of the Employee's "separation from service" from the Company, the Employee is a "specified employee" (within the meaning of Section 409A), then:

(i) Each installment of the severance payments and benefits due under the Agreement that, in accordance with the dates and terms set forth herein, will in all circumstances, regardless of when the Employee's separation from service occurs, be paid within the short-term deferral period (as defined under Section 409A) shall be treated as a short-term deferral within the meaning of Treasury Regulation Section 1.409A-1(b)(4) to the maximum extent permissible under Section 409A and shall be paid at the time set forth in the Agreement; and

(ii) Each installment of the severance payments and benefits due under the Agreement that is not described in this Exhibit A, Section 1(c)(i) and that would, absent this subsection, be paid within the six-month period following the Employee's "separation from service" from the Company shall not be paid until the date that is six months and one day after such separation from service (or, if earlier, the Employee's death), with any such installments that are required to be delayed being accumulated during the six-month period and paid in a lump sum on the date that is six months and one day following the Employee's separation from service and any subsequent installments, if any, being paid in accordance with the dates and terms set forth herein; provided, however, that the preceding provisions of this sentence shall not apply to any installment of payments and benefits if and to the maximum extent that that such installment is deemed to be paid under a

separation pay plan that does not provide for a deferral of compensation by reason of the application of Treasury Regulation 1.409A-1(b)(9)(iii) (relating to separation pay upon an involuntary separation from service). Any installments that qualify for the exception under Treasury Regulation Section 1.409A-1(b)(9)(iii) must be paid no later than the last day of the Employee's second taxable year following the taxable year in which the separation from service occurs.

2. The determination of whether and when the Employee's separation from service from the Company has occurred shall be made and in a manner consistent with, and based on the presumptions set forth in, Treasury Regulation Section 1.409A-1(h). Solely for purposes of this Exhibit A , Section 2, "Company" shall include all persons with whom the Company would be considered a single employer under Section 414(b) and 414(c) of the Code.

3. The Company makes no representation or warranty and shall have no liability to the Employee or to any other person if any of the provisions of the Agreement (including this Exhibit) are determined to constitute deferred compensation subject to Section 409A but that do not satisfy an exemption from, or the conditions of, that section.

Exhibit 31.1

CERTIFICATION

I, David Stack, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Pacira Pharmaceuticals, Inc. (the "Registrant");

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

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

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

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

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

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

(d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

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

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

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

Date: May 9, 2012

/s/David Stack

David Stack
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, James Scibetta, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Pacira Pharmaceuticals, Inc. (the "Registrant");

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

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

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

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

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

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

(d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

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

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

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

Date: May 9, 2012

/s/ James Scibetta

James Scibetta
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

STATEMENT PURSUANT TO 18 U.S.C. §1350

Pursuant to 18 U.S.C. §1350, the undersigned certifies that this Quarterly Report on Form 10-Q of Pacira Pharmaceuticals, Inc. for the quarter ended March 31, 2012 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in this report fairly presents, in all material respects, the financial condition and results of operations of Pacira Pharmaceuticals, Inc.

Date: May 9, 2012

/s/ David Stack

David Stack
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

STATEMENT PURSUANT TO 18 U.S.C. §1350

Pursuant to 18 U.S.C. §1350, the undersigned certifies that this Quarterly Report on Form 10-Q of Pacira Pharmaceuticals, Inc. for the quarter ended March 31, 2012 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in this report fairly presents, in all material respects, the financial condition and results of operations of Pacira Pharmaceuticals, Inc.

Date: May 9, 2012

/s/ James Scibetta

James Scibetta
Chief Financial Officer
(Principal Financial Officer)