AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON MAY 30, 2001
Registration No. 333-_____

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

QUESTCOR PHARMACEUTICALS, INC.
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

CALIFORNIA	2834	33-0476164
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(PRIMARY STANDARD INDUSTRIAL CLASSIFICATION CODE NUMBER)	(I.R.S. EMPLOYER IDENTIFICATION NUMBER)

3260 WHIPPLE ROAD
UNION CITY, CALIFORNIA 94587
(510) 400-0700

(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE NUMBER, INCLUDING AREA CODE, OF REGISTRANT'S PRINCIPAL EXECUTIVE OFFICES)

AGENT FOR SERVICE:	COPIES TO:
CHARLES J. CASAMENTO	ALAN C. MENDELSON, ESQ.
CHIEF EXECUTIVE OFFICER	DAVID A. HAHN, ESQ.
QUESTCOR PHARMACEUTICALS, INC.	LATHAM & WATKINS
3260 WHIPPLE ROAD	135 COMMONWEALTH DRIVE
UNION CITY, CALIFORNIA 94587	MENLO PARK, CALIFORNIA 94025
(510) 400-0700	(650) 328-4600

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

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

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

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

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

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

CALCULATION OF REGISTRATION FEE

TITLE OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED(1)	PROPOSED MAXIMUM OFFERING PRICE PER SHARE(2)	PROPOSED MAXIMUM OFFERING PRICE(2)	AMOUNT OF REGISTRATION FEE
Common Stock, no par value per share	1,225,200	$0.565	$692,238	$173.06

(1) Includes 408,400 shares of common stock issuable upon exercise of warrants.

(2) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(c) based on the average of the high and low

reported sales prices on the American Stock Exchange on May 25, 2001.

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

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

PROSPECTUS (SUBJECT TO COMPLETION, DATED MAY 30, 2001)

QUESTCOR PHARMACEUTICALS, INC.

1,225,200 SHARES OF COMMON STOCK

This prospectus relates to the offer and sale of up to 1,225,200 shares of Questcor Pharmaceuticals, Inc. common stock by the selling security holders identified in this prospectus. The shares offered by this prospectus were originally issued by us to the selling security holders in connection with the Stock and Warrant Purchase Agreement (the "Purchase Agreement") dated as of April 30, 2001 between Questcor Pharmaceuticals, Inc. and the purchasers who were signatories thereto. We are registering 816,800 shares of common stock issued to the selling security holders in connection with the Purchase Agreement. We are also registering 408,400 shares of common stock issuable upon exercise of warrants issued to the selling security holders in connection with the Purchase Agreement. The issuance of shares of common stock under the Purchase Agreement resulted in aggregate proceeds to us totaling $442,000. Upon any exercise of the warrants, we will receive an exercise price of $0.647 per share. If the warrants are exercised in full, we will receive additional aggregate proceeds of $264,100. The selling security holders consist of a group of individual and institutional investors.

Our common stock is quoted on the American Stock Exchange under the symbol "QSC." On May 25, 2001, the reported last sale price of our common stock on the American Stock Exchange was $0.60 per share.

BEFORE INVESTING IN THE SHARES OF OUR COMMON STOCK, PLEASE REFER TO THE SECTION IN THIS PROSPECTUS ENTITLED "RISK FACTORS" BEGINNING ON PAGE 2.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus is .

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THIS PROSPECTUS INCORPORATES IMPORTANT BUSINESS AND FINANCIAL INFORMATION ABOUT QUESTCOR PHARMACEUTICALS, INC. AND ITS SUBSIDIARIES THAT IS NOT INCLUDED IN OR DELIVERED WITH THIS DOCUMENT. THIS INFORMATION IS AVAILABLE WITHOUT CHARGE TO SECURITY HOLDERS UPON WRITTEN OR ORAL REQUEST.

YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH DIFFERENT INFORMATION. WE ARE NOT MAKING AN OFFER OF THESE SECURITIES IN ANY STATE WHERE THE OFFER IS NOT PERMITTED. YOU SHOULD NOT ASSUME THAT THE INFORMATION CONTAINED IN OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS IS ACCURATE AS OF ANY DATE OTHER THAN THE DATE ON THE FRONT OF THIS PROSPECTUS.

PROSPECTUS SUMMARY

This summary highlights some information from this prospectus, and it may not contain all of the information that is important to you. It is qualified in its entirety by the more detailed information and consolidated financial statements, including the notes to the consolidated financial statements, incorporated by reference in this prospectus. You should read the full text of, and consider carefully the more specific details contained in or incorporated by reference in this prospectus. When used in this prospectus, the terms "Questcor," "Company," "we," "our," "ours" and "us" refer to Questcor Pharmaceuticals, Inc. and its consolidated subsidiaries, unless the context requires otherwise, and not to the selling security holders.

OUR BUSINESS

Questcor Pharmaceuticals, Inc., formerly Cypros Pharmaceutical Corporation, is an integrated specialty pharmaceutical company focused on the development, acquisition and marketing of innovative, acute care and critical care hospital/specialty pharmaceutical products.

We currently market three products in the United States: Glofil(TM)-125 and Inulin in Sodium Chloride, which are both injectable agents that assess kidney function by measuring glomerular filtration rate; and Ethamolin(R), an injectable drug used to treat esophageal varices that have recently bled. Additionally, we earn royalties from our strategic partner, Crinos Industria Farmacobiologica SpA on sales, in Italy, of Pramidin(R), an intranasal form of metoclopramide for the treatment of various gastrointestinal disorders.

Our current development programs focus on two areas: (1) Emitasol(R) phase III clinical trials and (2) the development of our cytoprotective drug Ceresine(TM). Emitasol(R), an intranasal form of metoclopramide, is currently being developed for two indications: diabetic gastroparesis and delayed onset emesis associated with cancer chemotherapy. The diabetic gastroparesis indication is being developed in collaboration with a subsidiary of Shire Pharmaceuticals Group plc ("Shire"), in the United States. In the 4th quarter of 2000, a Phase II clinical trial in the treatment of diabetic gastroparesis was completed. A Phase III study is planned to commence in 2002. Depending on the identification of a co-development partner to fund additional development activities, a European Phase III clinical trial for a delayed onset emesis indication could be commenced in 2002. We are pursuing the development of Ceresine(TM), as a potential treatment for congenital lactic acidosis, a frequently fatal disease occurring predominantly in children. We have two intranasal drug candidates, on which pilot trials have been conducted: Migrastat(TM) for migraine headache and Hypnostat(TM) for insomnia.

In May 2000, NutraMax Products, Inc., our customer for Neoflo(TM), our proprietary topical triple antibiotic wound care product for our over-the-counter marketing partner, NutraMax Products, Inc. ("NutraMax"), utilizing Questcor's patented Dermaflo(TM) drug delivery technology filed a voluntary petition under Chapter 11 of the U.S. Bankruptcy Code. The NutraMax bankruptcy filing has had a negative impact on our sales and cash flow during calendar year 2000 and first quarter of 2001. In February 2001, NutraMax's plan of reorganization was approved by the U.S. Bankruptcy Court. Since NutraMax emerged from Chapter 11, NutraMax has further reduced its forecast for adhesive strips to be supplied. On April 2, 2001, NutraMax filed a motion with the U.S. Bankruptcy Court to reject our supply agreement effective April 2, 2001. Since the Dermaflo(TM) business is not strategically important to us, and since the investment needed to build the business into a profitable venture is substantial, we intend to discontinue the manufacturing and marketing of Neoflo(TM) and close the manufacturing operation in Lee's Summit.

Based on our history of operating losses and expectation of continued operating losses in the future, an important aspect of our ability to conduct our business in the future is the ability to secure sufficient equity capital to fund its operations. We are, at present, in negotiations with different potential financial investors who have indicated an interest in investing in the Company and have offered to contribute equity capital. Should we be unable to secure financing by the end of the third quarter of 2001, we are at increasing risk of not being able to continue as a going concern and may not be able to remain financially viable.

Our independent auditors issued an opinion on our consolidated financial statements as of December 31, 2000 and for the year then ended which included an explanatory paragraph expressing substantial doubt about our ability to continue as a going concern.

RISK FACTORS

An investment in the common stock offered in connection with this prospectus involves a high degree of risk. In addition to the other information in this prospectus, you should carefully consider the following risks before making an investment decision.

WE HAVE A HISTORY OF OPERATING LOSSES AND MAY NEVER GENERATE SUFFICIENT REVENUE TO ACHIEVE PROFITABILITY

We have a history of consistent operating losses. Further, we expect that substantial operating losses will continue over the next several years. To date, our revenues have been generated principally from sales of Glofil(TM)-125, Inulin, Ethamolin(R), the licensing of rights to commercialize certain research technology and the manufacturing of our proprietary topical triple antibiotic wound care product for our over-the-counter marketing partner, NutraMax Products, Inc. We do not expect Cordox(TM), Ceresine(TM), Migrastat(TM), or any of the compounds currently in pre-clinical testing to be commercially available for a number of years, if at all. Further, our revenues will also be dependent on the FDA approval and sale of Emitasol(R) in conjunction with Shire Pharmaceuticals Group plc. Our ability to achieve a consistent, profitable level of operations will be dependent in large part upon our ability to:

- finance the operations with external capital until positive cash flows are achieved,
- acquire additional marketed products; finance product acquisitions,
- increase sales of current products,
- finance the future growth of the sales/marketing and clinical development/regulatory affairs organization,
- enter into agreements with corporate partners for product research, development and commercialization,
- obtain regulatory approvals for new products, and
- continue to receive products from our contract manufacturers.

Although new product launches are planned, there can be no assurance that sufficient revenues from new products will be generated nor can there be assurance that the Company will ever generate sufficient revenues to become profitable.

IF WE FAIL TO MAINTAIN OR ENTER INTO NEW CONTRACTS RELATED TO COLLABORATIONS AND IN-LICENSED OR ACQUIRED TECHNOLOGY AND PRODUCTS, OUR BUSINESS COULD ADVERSELY BE AFFECTED

Our business model has been dependent on our ability to enter into licensing and acquisition arrangements with commercial or academic entities to obtain technology or marketed products for development and commercialization. Disputes may arise regarding the inventorship and corresponding rights in inventions and know-how resulting from the joint creation or use of intellectual property by us and its licensors or scientific collaborators. Additionally, many of our existing in-licensing and acquisition agreements contain milestone-based termination provisions. Our failure to meet any significant milestones in a particular agreement could allow the licensor or seller to terminate the agreement. We may not be able to negotiate additional license and acquisition agreements in the future on acceptable terms, if at all. In addition, current license and acquisition agreements may be terminated, and we may not be able to maintain the exclusivity of our exclusive licenses.

There can be no assurance that any collaborators will commit sufficient development resources, technology, regulatory expertise, manufacturing, marketing and other resources towards developing, promoting and commercializing products incorporating our discoveries. Further, competitive conflicts may arise among these third parties that could prevent them from working cooperatively with the Company. The amount and timing of resources devoted to these activities by the parties could depend on the achievement of milestones by us and otherwise generally may be controlled by other parties. In addition, we expect that our agreements with future collaborators will likely permit the collaborators to terminate their agreements upon written notice to us. This type of termination would substantially reduce the likelihood that the applicable research program or any lead candidate or candidates

would be developed into a drug candidate, would obtain regulatory approvals and would be manufactured and successfully commercialized. Therefore, any such termination could materially harm the Company's business.

There can be no assurance that any of our collaborations will be successful in developing and commercializing products or that we will receive milestone payments or generate revenues from royalties sufficient to offset our significant investment in product development and other costs. Disagreements with our collaborators could lead to delays or interruptions in, or termination of, development and commercialization of certain potential products or could require or result in litigation or arbitration, which could be time-consuming and expensive and could have a material adverse effect on our business.

WE EXPECT TO INCUR EXPENSE RELATED TO OUR COLLABORATION AGREEMENT WITH SHIRE PHARMACEUTICALS GROUP PLC

We are obligated to fund the clinical development expenses for Emitasol(R) under our corporate partnering agreement with Shire Pharmaceuticals Group plc, up to an aggregate of $7 million after which Shire pays all development costs. Through May 25, 2001 we have made development payments for Emitasol(R), under the terms of the agreement with Shire, totaling $4.6 million, consisting of $4.1 million paid to Shire and approximately $500,000 paid to other parties for allowable expenses including patent and trademark costs.

Under the agreement with Shire, the Company is obligated to fund the remaining balance of approximately $2.4 million as a contribution towards the remaining development costs including the pivotal Phase III clinical trial, data analysis and regulatory submissions to the FDA of the NDA. Should the Company be unable to secure adequate financing, the Company may not be able to fund the balance of the development costs and Shire could choose to declare us in breach of the agreement or terminate the clinical development of Emitasol(R).

OUR BUSINESS COULD BE HARMED IF WE ARE UNABLE TO PROTECT OUR PROPRIETARY RIGHTS

Our success will depend in part on our ability to:

- obtain patents for our products and technologies,

- protect trade secrets,

- operate without infringing upon the proprietary rights of others, and

- prevent others from infringing on our proprietary rights.

We will only be able to protect our proprietary rights from unauthorized use by third parties to the extent that these rights are covered by valid and enforceable patents or are effectively maintained as trade secrets and are otherwise protectable under applicable law. We will attempt to protect our proprietary position by filing United States and foreign patent applications related to our proprietary products, technology, inventions and improvements that are important to the development of our business.

The patent positions of biotechnology and biopharmaceutical companies involve complex legal and factual questions and, therefore, enforceability cannot be predicted with certainty. Patents, if issued, may be challenged, invalidated or circumvented. Thus, any patents that we own or license from third parties may not provide any protection against competitors. Pending patent applications we may file in the future, or those we may license from third parties, may not result in patents being issued. Also, patent rights may not provide us with proprietary protection or competitive advantages against competitors with similar technology. Furthermore, others may independently develop similar technologies or duplicate any technology that we have developed or we will develop. The laws of some foreign countries may not protect the company's intellectual property rights to the same extent as do the laws of the United States.

In addition to patents, we rely on trade secrets and proprietary know-how. We currently seek protection, in part, through confidentiality and proprietary information agreements. These agreements may not provide meaningful protection or adequate remedies for proprietary technology in the event of unauthorized use or disclosure of

confidential and proprietary information. The parties may not comply or may breach these agreements. Furthermore, our trade secrets may otherwise become known to, or be independently developed by competitors.

Our success will further depend, in part, on our ability to operate without infringing the proprietary rights of others. There can be no assurance that our activities will not infringe on patents owned by others. We could incur substantial costs in defending ourselves in suits brought against us or any licensor. Should our products or technologies be found to infringe on patents issued to third parties, the manufacture, use and sale of our products could be enjoined, and we could be required to pay substantial damages. In addition, we, in connection with the development and use of our products and technologies, may be required to obtain licenses to patents or other proprietary rights of third parties. No assurance can be given that any licenses required under any such patents or proprietary rights would be made available on terms acceptable to the Company, if at all.

OUR INABILITY TO SECURE ADDITIONAL FUNDING COULD LEAD TO A LOSS OF YOUR INVESTMENT

Although we recently completed a $1.6 million financing with Sigma-Tau in April 2001 and the Company is continuing discussions with other potential investors who have expressed an interest in investing in our Company, there can be no assurance that any further capital investments will materialize, nor that these investments can be completed at attractive terms for the Company, or that the Company will receive any capital investments at all. In order to conduct the operating activities of the Company, we will require substantial additional capital resources in order to acquire new products, increase sales of existing products, and conduct our various clinical development programs. Our future capital requirements will depend on many factors, including the following:

- product sales performance,
- cost of clinical and development programs,
- cost maintenance and potential future expansion of the sales force,
- achieving lower cost of goods sold and better operating efficiencies,
- the acquisition of additional product candidates, and
- the status of the equity markets, in general, and investor's tolerance for risk.

We anticipate obtaining additional financing through corporate partnerships and public or private debt or equity financing. However, additional financing may not be available to us on acceptable terms, if at all. Further, additional equity financings will be dilutive to our shareholders. If sufficient capital is not available, then we may be required to delay, reduce the scope of, eliminate or divest one or more of our product acquisition, clinical programs or manufacturing efforts. We are aware that our existing capital resources, committed payments under existing corporate partnerships and licensing arrangements and interest income will not be sufficient to fund our current and planned operations past the third quarter of 2001.

Our independent auditors issued an opinion on our consolidated financial statements as of December 31, 2000 and for the year then ended which included an explanatory paragraph expressing substantial doubt about our ability to continue as a going concern.

OUR BUSINESS COULD BE HARMED BY INTENSE COMPETITION

The biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant technological change. A number of companies are pursuing the development of pharmaceuticals and products which target the same diseases and conditions that we will target. For example, there are products on the market that compete with Glofil(TM)-125, Inulin and Ethamolin(R).

Moreover, technology controlled by third parties that may be advantageous to our business, may be acquired or licensed by competitors of the Company, preventing us from obtaining this technology on favorable terms, or at all.

Our ability to compete will depend on our abilities to create and maintain scientifically advanced technology and to develop and commercialize pharmaceutical products based on this technology, as well as our ability to attract and retain qualified personnel, obtain patent protection or otherwise develop proprietary technology or processes and secure sufficient capital resources for the expected substantial time period between technological conception and commercial sales of products based upon our technology.

Many of the companies developing competing technologies and products have significantly greater financial resources and expertise in development, manufacturing, clinical testing, obtaining regulatory approvals and marketing than we do. Other smaller companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. Academic institutions, government agencies and other public and private research organizations may also seek patent protection and establish collaborative arrangements for clinical development, manufacturing and marketing of products similar to ours. These companies and institutions will compete with us in recruiting and retaining qualified scientific and management personnel as well as in acquiring technologies complementary to our programs. We will face competition with respect to:

- product efficacy and safety,
- the timing and scope of regulatory approvals,
- availability of resources,
- reimbursement coverage,
- price, and
- patent position, including potentially dominant patent positions of others.

There can be no assurance that our competitors will not succeed in developing technologies and drugs that are more effective or less costly than any which we are developing or which would render our technology and future drugs obsolete and noncompetitive. In addition, our competitors may succeed in obtaining the approval of the FDA or other regulatory approvals for drug candidates more rapidly than we will. Companies that complete clinical trials, obtain required regulatory agency approvals and commence commercial sale of their drugs before their competitors may achieve a significant competitive advantage, including patent and FDA marketing exclusivity rights that would delay our ability to market specific products. There can be no assurance that drugs resulting from our development efforts, or from the joint efforts of our existing or future collaborative partners, will be able to compete successfully with competitors' existing products or products under development or that we will obtain regulatory approval in the United States or elsewhere.

OUR RELIANCE ON CONTRACT MANUFACTURERS COULD ADVERSELY AFFECT OUR BUSINESS

We will rely on third party contract manufacturers to produce the clinical supplies for Emitasol(R), Cordox(TM) and Ceresine(TM) and for the marketed products, Glofil(TM)-125, Inulin and Ethamolin(R), and other products that may be developed or commercialized in the future. Third party manufacturers may not be able to meet our needs with respect to timing, quantity or quality. If we are unable to contract for a sufficient supply of required products and substances on acceptable terms, or if we should encounter delays or difficulties in our relationships with our manufacturers, we could lose sales and our clinical testing could be delayed, leading to a delay in the submission of products for regulatory approval or the market introduction and subsequent sales of these products. Moreover, contract manufacturers that we may use must continually adhere to current good manufacturing practices regulations enforced by the FDA. If the facilities of these manufacturers cannot pass an inspection, the FDA approval of our products will not be granted. During December of 2000, we were on backorder for Ethamolin(R) due to manufacturing problems at one of our third party contract manufacturers. Although this situation has been resolved, there is no guarantee that it will not occur in the future nor that we will not be on backorder again.

OUR PRODUCTS MAY NOT BE ACCEPTED BY THE MARKET

Our current development programs focus on two areas: Emitasol(R) Phase III clinical trials and the development of a cytoprotective drug that targets congenital lactic acidosis. Emitasol(R), intranasal metoclopramide, is currently being developed for two indications: diabetic gastroparesis and delayed onset emesis associated with cancer chemotherapy patients. The diabetic gastroparesis drug candidate is being developed in collaboration with a subsidiary of Shire Pharmaceuticals Group plc ("Shire"), in the United States and has recently completed a Phase II clinical trial in the treatment of diabetic gastroparesis. A Phase III study is planned to commence in 2002. Additionally, a Phase III clinical trial for delayed onset emesis indication is in the planning stage. The Company may expand its clinical trials of Ceresine(TM), a cytoprotective agent, in congenital lactic acidosis, a frequently fatal disease occurring in children. The Company also has two intranasal drug candidates, on which pilot trials have been conducted: Migrastat(TM) for migraine headache and Hypnostat(TM) for insomnia. There is no guarantee that any of these drugs will successfully complete Phase III testing. The Company expects the failure of one or more of these drugs to successfully pass Phase III testing would likely have a materially adverse effect on the Company's future results of operations. It cannot guarantee, however, that the products will ever successfully pass such testing phases, and if so, result in commercially successful products. Clinical trial results are frequently susceptible to varying interpretations by scientists, medical personnel, regulatory personnel, statisticians and others, which may delay, limit or prevent further clinical development or regulatory approvals of a product candidate. Also, the length of time that it takes for the Company to complete clinical trials and obtain regulatory approval for product marketing can vary by product and by the indicated use of a product. The Company expects that this will likely be the case with future product candidates and it cannot predict the length of time to complete necessary clinical trials and obtain regulatory approval.

Any products that we successfully develop, if approved for marketing, may never achieve market acceptance. These products, if successfully developed, will compete with drugs and therapies manufactured and marketed by major pharmaceutical and other biotechnology companies. Physicians, patients or the medical community in general may not accept and utilize any products that we may develop or that our corporate partners may develop.

The degree of market acceptance of any products that we develop will depend on a number of factors, including:

- the establishment and demonstration of the clinical efficacy and safety of the product candidates,

- their potential advantage over alternative treatment methods and competing products,

- reimbursement policies of government and third-party payors, and

- our ability to market and promote the products effectively.

The failure of our products to achieve market acceptance could materially harm our business.

OUR BUSINESS AND PRODUCT APPROVALS MUST COMPLY WITH STRICT GOVERNMENT REGULATION

Any products that we develop are subject to regulation by federal, state and local governmental authorities in the United States, including the FDA, and by similar agencies in other countries. Any product that we develop must receive all relevant regulatory approvals or clearances before it may be marketed in a particular country. The regulatory process, which includes extensive preclinical studies and clinical trials of each product to establish its safety and efficacy, is uncertain, can take many years and requires the expenditure of substantial resources. Data obtained from preclinical and clinical activities are susceptible to varying interpretations which could delay, limit or prevent regulatory approval or clearance. In addition, delays or rejections may be encountered based upon changes in regulatory policy during the period of product development and the period of review of any application for regulatory approval or clearance for a product. Delays in obtaining regulatory approvals or clearances:

- would adversely affect the marketing, selling and distribution of any products that we or our corporate partners develop,

- could impose significant additional costs on us and our corporate partners,

- could diminish any competitive advantages that we or our corporate partners may attain, and

- could adversely affect our ability to receive royalties and generate revenues and profits.

Regulatory approval, if granted, may entail limitations on the indicated uses for which the new product may be marketed that could limit the potential market for the product. Product approvals, once granted, may be withdrawn if problems occur after initial marketing. Furthermore, manufacturers of approved products are subject to pervasive review, including compliance with detailed regulations governing FDA good manufacturing practices. The FDA has recently revised the good manufacturing practices regulations. Failure to comply with applicable regulatory requirements can result in warning letters, fines, injunctions, civil penalties, recall or seizure of products, total or partial suspension of production, refusal of the government to grant marketing applications and criminal prosecution.

In addition, we cannot predict the extent of government regulations or the impact of new governmental regulations that might have an adverse effect on the development, production and marketing of the Company's products. We may be required to incur significant costs to comply with current or future laws or regulations.

WE MAY NOT BE REIMBURSED BY THIRD PARTY PAYERS

In both domestic and foreign markets, sales of our products will depend in part on the availability of reimbursement from third-party payors such as state and federal governments (for example, under Medicare and Medicaid programs in the U.S.) and private insurance plans. In certain foreign markets, the pricing and profitability of our products generally are subject to government controls. In the U.S., there have been, and we expect there will continue to be, a number of state and federal proposals that limit the amount that state or federal governments will pay to reimburse the cost of drugs. In addition, we believe the increasing emphasis on managed care in the U.S. has and will continue to put pressure on the price and usage of our products, which may impact product sales. Further, when a new therapeutic is approved, the reimbursement status and rate of such a product is uncertain. In addition, current reimbursement policies for existing products may change at any time. Changes in reimbursement or our failure to obtain reimbursement for our products may reduce the demand for, or the price of, our products, which could result in lower product sales or revenues which could have a material adverse effect on us and our results of operations.

In the U.S. proposals have called for substantial changes in the Medicare and Medicaid programs. If such changes are enacted, they may require significant reductions from currently projected government expenditures for these programs. Driven by budget concerns, Medicaid managed care systems have been under consideration in several states. If the Medicare and Medicaid programs implement changes that restrict the access of a significant population of patients to its innovative medicines, our business could be materially affected. On the other hand, relatively little pharmaceutical use is currently covered by Medicare.

Legislation in the U.S. requires us to give rebates to state Medicaid agencies based on each state's reimbursement of pharmaceutical products under the Medicaid program. We also must give discounts or rebates on purchases or reimbursements of pharmaceutical products by certain other federal and state agencies and programs. There can be no assurance that these discounts and rebates may become burdensome to us, which may adversely affect our current business and future product development.

OUR BUSINESS MAY BE AFFECTED BY PRODUCT LIABILITY AND AVAILABILITY OF INSURANCE

Our business will expose us to potential liability risks that are inherent in the testing, manufacturing and marketing of pharmaceutical products. The use of any drug candidates ultimately developed by us or our collaborators in clinical trials may expose us to product liability claims and possible adverse publicity. These risks will expand for any of our drug candidates that receive regulatory approval for commercial sale. Product liability insurance for the pharmaceutical industry is generally expensive, if available at all. We currently have product liability insurance, however, there can be no assurance that we will be able to maintain insurance coverage at acceptable costs or in a sufficient amount, if at all, or that a product liability claim would not harm our reputation, stock price or our business.

WE WILL BE DEPENDENT ON KEY PERSONNEL

We are highly dependent on the services of Charles J. Casamento, President, Chief Executive Officer and Chairman of the Board. Mr. Casamento has executed an employment agreement. However, there can be no assurance that Mr. Casamento will continue to be employed by us in the future. The loss of Mr. Casamento could materially harm our business. The future potential growth and expansion of our business is expected to place increased demands on our management skills and resources. While increases in staffing levels are not expected during 2001, these future demands are expected to require a substantial increase in management and scientific personnel to perform clinical and operational work as well as the development of additional expertise by existing management personnel. Accordingly, recruiting and retaining management and operational personnel to perform sales and marketing, research and development work and qualified scientific personnel development in the future will also be critical to our success. There can be no assurance that we will be able to attract and retain skilled and experienced management, operational and scientific personnel on acceptable terms given the extensive competition among numerous pharmaceutical and biotechnology companies, universities and other research institutions for such personnel.

WE COULD BE ADVERSELY AFFECTED BY LITIGATION

Although there are no material lawsuits pending against the Company, we could be adversely affected by litigation.

FORWARD-LOOKING STATEMENTS

This prospectus contains and incorporates by reference forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are subject to a number of risks, uncertainties and assumptions about Questcor, including, among other things, those set forth elsewhere in this prospectus under the heading "Risk Factors." You can identify these forward-looking statements by forward-looking words such as "believe," "may," "could," "will," "estimate," "continue," "anticipate," "intend," "seek," "plan," "expect," "should," "would" and similar expressions in this prospectus.

We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this prospectus may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements.

USE OF PROCEEDS

We will not receive any proceeds from the sale by the selling security holders of the common stock offered by this prospectus.

SELLING SECURITY HOLDERS

The following table sets forth information with respect to the shares owned by the selling security holders. The information regarding shares owned after the offering assumes the sale of all shares offered by the selling security holders.

None of the selling security holders has held a position or office or had a material relationship with us or any of our affiliates within the past three years other than as a result of the ownership of Questcor common stock.

Name of Selling Security Holder	Number of Shares Beneficially Owned Prior to the Offering	Number of Shares Being Offered	Shares Beneficially Owned After Offering	
			Number	Percentage
George S. Taylor	394,650(1)	394,650(1)	---	---
Northlea Partners Ltd.	78,000(2)	78,000(2)	---	---
The Larry Haimovitch 2000 Separate Property Revocable Trust (dated May 9, 2000)	79,500(3)	79,500(3)	---	---
John F. de Benedetti	69,000(4)	69,000(4)	---	---
Klaus W. Hentges	55,500(5)	55,500(5)	---	---
The Robert Allen Schindler and Janet Feinberg Schindler Declaration of Trust dated June 18, 1999	64,500(6)	64,500(6)	---	---
Camco Tactical Return Partner, L.P.	484,050(7)	484,050(7)	---	---

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(1) Includes up to 131,550 shares of common stock issuable upon exercise of a warrant.

(2) Includes up to 26,000 shares of common stock issuable upon exercise of a warrant.

(3) Includes up to 26,500 shares of common stock issuable upon exercise of a warrant.

(4) Includes up to 23,000 shares of common stock issuable upon exercise of a warrant.

(5) Includes up to 18,500 shares of common stock issuable upon exercise of a warrant.

(6) Includes up to 21,500 shares of common stock issuable upon exercise of a warrant.

(7) Includes up to 161,350 shares of common stock issuable upon exercise of a warrant.

The selling security holders have represented to us that they have acquired their shares for their own account, for investment only and not with a view toward publicly selling or distributing them, except in sales either registered

under the Securities Act of 1933 or exempt from registration. In recognition of the fact that the selling security holders, even though purchasing their shares for investment, may wish to be legally permitted to sell their shares when they deem appropriate, we agreed with the selling security holders to file a registration statement to register the shares for resale and to prepare and file all amendments and supplements necessary to keep the registration statement effective for a period of three years from the date such registration statement becomes effective, subject to certain exceptions.

PLAN OF DISTRIBUTION

RESALES BY THE SELLING SECURITY HOLDERS

We are registering the shares on behalf of the selling security holders. The selling security holders may offer the shares from time to time, either in increments or in a single transaction. The selling security holders may also decide not to sell any or all of the shares allowed to be sold under this prospectus. The selling security holders will act independently of us in making decisions with respect to the timing, manner and size of each sale.

DONEES, PLEDGEES AND DISTRIBUTEES

The term "selling security holders" includes donees, persons who receive shares from the selling security holders after the date of this prospectus by gift. The term also includes pledgees, persons who, upon contractual default by the selling security holders, may seize shares which the selling security holders pledged to such persons. The term also includes distributees who receive shares from the selling security holders after the date of this prospectus as a distribution to members or partners of the selling security holders.

COST AND COMMISSIONS

We will pay all costs, expenses and fees in connection with the registration of the shares being offered by this prospectus. The selling security holders will pay all brokerage commissions and similar selling expenses, if any, attributable to the sale of shares.

TYPES OF SALE TRANSACTIONS

The selling security holders will act independently of us in making decisions with respect to the timing, manner and size of each sale. The selling security holders may sell their shares in one or more types of transactions (which may include block transactions):

- on any national securities exchange or quotation service on which the common stock may be listed or quoted at the time of sale, including the American Stock Exchange;
- in negotiated transactions;
- in the over-the-counter market;
- through the writing of options on shares;
- by pledge to secure debts and other obligations;
- in hedge transactions and in settlement of other transactions;
- in short sales; or
- through any combination of the above methods of sale.

The shares may be sold at a fixed offering price, which may be changed, or at market prices prevailing at the time of sale, or at negotiated prices.

SALES TO OR THROUGH BROKER-DEALERS

The selling security holders may either sell shares directly to purchasers, or sell shares to, or through, broker-dealers. These broker-dealers may act either as an agent of the selling security holders, or as a principal for the broker-dealer's own account. These transactions may include transactions in which the same broker acts as an agent on both sides of the trade. Such broker-dealers may receive compensation in the form of discounts, concessions or commissions from the selling security holders and/or the purchasers of shares. This compensation may be received both if the broker-dealer acts as an agent or as a principal. This compensation might also exceed customary commissions.

The selling security holders may enter into hedging transactions with broker-dealers in connection with distributions of the shares or otherwise. In such transactions, broker-dealers may engage in short sales of the shares in the course of hedging the positions they assume with the selling security holders. The selling security holders also may sell shares short and re-deliver the shares to close out such short positions. The selling security holders may enter into options or other transactions with broker-dealers which require the delivery to the broker-dealer of the shares. The broker-dealer may then resell or otherwise transfer such shares pursuant to this prospectus. The selling security holders also may loan or pledge the shares to a broker-dealer. The broker-dealer may sell the shares so loaned, or upon a default the broker-dealer may sell the pledged shares pursuant to this prospectus.

DISTRIBUTION ARRANGEMENTS WITH BROKER-DEALERS

If the selling security holders notify us that any material arrangement has been entered into with a broker-dealer for the sale of shares through:

- a block trade,

- a special offering,

- an exchange distribution or secondary distribution, or

- a purchase by a broker or dealer,

then we will file, if required, a supplement to this prospectus under Rule 424(b) of the Securities Act.

The supplement will disclose, to the extent required:

- the names of the selling security holders and of the participating broker-dealer(s);

- the number of shares involved;

- the price at which such shares were sold;

- the commissions paid or discounts or concessions allowed to such broker-dealer(s), where applicable;

- that such broker-dealer(s) did not conduct any investigation to verify the information set out or incorporated by reference in this prospectus; and

- any other facts material to the transaction.

DEEMED UNDERWRITING COMPENSATION

The selling security holders and any broker-dealers that act in connection with the sale of his shares might be deemed to be "underwriters" within the meaning of Section 2(a)(11) of the Securities Act. Any commissions received by such broker-dealers, and any profit on the resale of shares sold by them while acting as principals, could be deemed to be underwriting discounts or commissions under the Securities Act.

INDEMNIFICATION

The selling security holders may agree to indemnify any agent, dealer or broker-dealer that participates in transactions involving sales of his shares against certain liabilities, including liabilities arising under the Securities Act. Under our agreements with the selling security holders, we and the selling security holders will be indemnified by the other against certain liabilities, including certain liabilities under the Securities Act, or will be entitled to contribution in connection with these liabilities.

PROSPECTUS DELIVERY REQUIREMENTS

Because a selling security holder may be deemed an underwriter, the selling security holders must deliver this prospectus and any supplements to this prospectus in the manner required by the Securities Act.

SALES UNDER RULE 144

The selling security holders may also resell all or a portion of the shares offered by this prospectus in open market transactions in reliance upon Rule 144 under the Securities Act. To do so, the selling security holders must meet the criteria and comply with the requirements of Rule 144.

REGULATION M

The selling security holders and any other persons participating in the sale or distribution of the shares will be subject to applicable provisions of the Exchange Act and the rules and regulations under such act, including, without limitation, Regulation M. These provisions may restrict certain activities of, and limit the timing of purchases and sales of any of the shares by, the selling security holders or any other such person. Furthermore, under Regulation M, persons engaged in a distribution of securities are prohibited from simultaneously engaging in market making and certain other activities with respect to such securities for a specified period of time prior to the commencement of such distributions, subject to specified exceptions or exemptions. All of these limitations may affect the marketability of the shares offered by this prospectus.

COMPLIANCE WITH STATE LAW

In jurisdictions where the state securities laws require it, the selling security holders' shares offered by this prospectus may be sold only through registered or licensed brokers or dealers. In addition, in some states the shares may not be sold unless they have been registered or qualified for sale in the applicable state or an exemption from the registration or qualification requirement is available and has been complied with.

LEGAL MATTERS

Latham & Watkins, San Diego, California, will pass upon the validity of the securities being offered by this prospectus.

EXPERTS

The consolidated financial statements of Questcor Pharmaceuticals, Inc. appearing in Questcor Pharmaceuticals, Inc.'s Annual Report (Form 10-K/A) for the year ended December 31, 2000 have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon (which contains an explanatory paragraph describing conditions that raise substantial doubt about the Company's ability to continue as a going concern as described in Note 1 to the consolidated financial statements) and included herein by reference. Such consolidated financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in auditing and accounting.

WHERE TO FIND ADDITIONAL INFORMATION

Questcor is subject to the informational requirements of the Securities Exchange Act of 1934, and files annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any reports, proxy statements and other information we file at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549 and at the SEC's regional offices at Seven World Trade Center, 13th Floor, New York, New York 10048 and Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511. Please call the SEC at 1-800-SEC-0300 for further information on the public reference rooms. You may also access filed documents at the SEC's Web site at www.sec.gov.

We have filed a registration statement on Form S-3 and related exhibits with the SEC under the Securities Act of 1933. The registration statement contains additional information about Questcor and the securities. You may inspect the registration statement and exhibits without charge and obtain copies from the SEC at prescribed rates at the locations above.

We are incorporating by reference some information about us that we file with the SEC. We are disclosing important information to you by referencing those filed documents. Any information that we reference this way is considered part of this prospectus.

We incorporate by reference the following documents we have filed, or may file, with the SEC:

- Our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2001 filed with the SEC on May 15, 2001;
- Amendment No. 1 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2000 filed on Form 10-K/A with the SEC on April 30, 2001;
- Our Definitive Proxy Statement on Schedule 14A filed with the SEC on April 30, 2001;
- Our Current Report on Form 8-K dated March 29, 2001 filed with the SEC on April 4, 2001;
- The description of our common stock contained in our (formerly Cypros Pharmaceutical Corporation) Registration Statement on Form 8-A filed with the SEC on October 26, 1992, as amended; and
- All documents filed by us with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date of this prospectus and before termination of this offering.

A statement contained herein or in a document incorporated by reference herein shall be deemed to be modified or superceded for purposes of this prospectus to the extent that a statement contained in any other subsequently filed document which is also incorporated herein modifies or replaces such statement. Any statements so modified or superceded shall not be deemed, except as so modified or superceded, to constitute a part of this prospectus.

You may request a free copy of any of the documents incorporated by reference in this prospectus by writing or telephoning us at the following address:

Questcor Pharmaceuticals, Inc.
3260 Whipple Road
Union City, California 94587
(510) 400-0700

You should rely only on the information incorporated by reference or provided in this prospectus. We have not authorized anyone else to provide you with different information. You should not assume that the information in this prospectus is accurate as of any date other than the date on the front cover of this document.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

Our estimated expenses in connection with the distribution of the securities being registered are as set forth in the following table:

SEC Registration Fee	$ 173
Legal Fees and Expenses	25,000
Accounting Fees and Expenses	12,000
Printing and Engraving Expenses	3,000
Miscellaneous	1,000
Total	$41,173

All of the above items except the registration fee are estimates.

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 317 of the California General Corporation Law provides that the Company may indemnify an officer or director who was made a party to a "proceeding" (including a lawsuit or a derivative action) because of his position, if he acted in good faith and in a manner he reasonably believed to be in the best interests of the Company, and may advance expenses incurred in defending any proceeding in certain cases. If a director or officer is successful on the merits, he must be indemnified against all expenses incurred, including attorneys' fees. With respect to derivative actions, indemnity can be made only for expenses actually and reasonably incurred in defending the proceedings, and, if the officer or director is adjudged liable, only by court order. Article XI of Questcor's Bylaws provides that the Company shall have the power to indemnify any officer or director to the extent provided in Section 317 above. The Company does carry liability insurance indemnifying its officers or directors, but the policy does not cover liabilities related to securities offerings.

ITEM 16. EXHIBITS

The Exhibit Index is attached hereto on page E-1.

ITEM 17. UNDERTAKINGS

(a) The undersigned registrant hereby undertakes:

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

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

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

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

provided, however, that subparagraphs (a)(1)(i) and (a)(1)(ii) above do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the SEC by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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

(b) The undersigned registrant hereby further undertakes that, for the purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in this registration statement shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to existing provisions or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement on Form S-3 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Union City, County of Alameda, State of California, on May 30, 2001.

QUESTCOR PHARMACEUTICALS, INC.

By /s/ CHARLES J. CASAMENTO

Charles J. Casamento
Chairman of the Board,
President and Chief Executive
Officer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Charles J. Casamento his attorney-in-fact, with the power of substitution, for him in any and all capacities, to sign any amendments to this report, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that said attorney-in-fact, or his substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

SIGNATURE	TITLE	DATE
/s/ CHARLES J. CASAMENTO Charles J. Casamento	Chairman of the Board, President and Chief Executive Officer and Director (Principal Executive Officer)	May 30, 2001
/s/ MICHAEL D. ROSE Michael D. Rose	Acting Chief Accounting Officer Principal Financial and Chief Accounting Manager	May 30, 2001
/s/ ROBERT F. ALLNUTT Robert F. Allnutt	Director	May 30, 2001
/s/ FRANK SASINOWSKI Frank Sasinowski	Director	May 30, 2001
/s/ JON SAXE Jon Saxe	Director	May 30, 2001
/s/ JOHN SPITZNAGEL John Spitznagel	Director	May 30, 2001
/s/ ROGER G. STOLL, PH.D. Roger G. Stoll	Director	May 30, 2001
/s/ VIRGIL THOMPSON Virgil Thompson	Director	May 30, 2001

EXHIBIT INDEX

EXHIBIT NUMBER	DESCRIPTION
4.1(1)	Form of Common Stock Certificate.
4.2.1	Form of Stock and Warrant Purchase Agreement dated as of April 30, 2001 between Questcor Pharmaceuticals, Inc. and the purchasers who were signatories thereto.
4.2.2	Form of Warrant for the Purchase of Common Stock dated as of April 30, 2001, between the Registrant and Purchasers.
5.1	Opinion of Latham & Watkins.
23.1	Consent of Latham & Watkins. (contained in Exhibit 5.1)
23.2	Consent of Ernst & Young LLP, Independent Auditors.
24.1	Powers of Attorney (contained on the signature page of this Registration Statement).

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(1) Filed as an exhibit to Questcor's, formerly Cypros Pharmaceutical Corporation, Registration Statement on Form 8-A, as amended (File No. 33-51682), and incorporated herein by reference.

EXHIBIT 4.2.1

STOCK AND WARRANT PURCHASE AGREEMENT

This Stock and Warrant Purchase Agreement (the "Agreement") is made as of April ___, 2001 between Questcor Pharmaceuticals, Inc., a California corporation (the "Company"), and the purchasers who are signatories hereto (the "Purchasers").

WHEREAS, the Company wishes to sell and the Purchasers desire to purchase securities (the "Units"), each Unit consisting of one hundred (100) shares (the "Shares") of the Company's Common Stock, no par value per share (the "Common Stock"), and one (1) warrant to purchase fifty (50) Shares of Common Stock (the "Warrants").

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. Purchase and Sale of Shares and Warrants.

1.1. Sale to the Purchasers. Subject to the terms and conditions hereof, the Company will issue and sell to each Purchaser the number of Shares and Warrants set forth opposite such Purchaser's name on the signature page hereto for the purchase price indicated on the signature page hereto (the "Purchase Price"). The obligations of each Purchaser hereunder are several and not joint and no Purchaser shall be obligated to purchase any number of Shares or Warrants in excess of the number set forth opposite such Purchaser's name on the signature page hereto.

1.2. Aggregate Sale. Pursuant to this Agreement, the Company shall sell a minimum of $200,000 (the "Minimum Investment Amount") and a maximum of $2,000,000 of its Units. The purchase price of the Units will be the market price (the "Market Price"), which shall be calculated based on the five day trailing average closing price of the Common Stock as quoted on the American Stock Exchange ("AMEX") for the five days up to and including the close of business on the date immediately prior to the closing of this transaction plus $.0625, multiplied by 100. Each Warrant issued shall have an exercise price equal to 135% of the Market Price and shall be exercisable for a term of five years from the date of issuance and shall be subject to the other terms and conditions set forth in the Warrant.

1.3. Payment of Purchase Price. On or prior to the Closing Date (as hereinafter defined), each Purchaser will deliver to Computershare Trust Co. (the "Escrow Agent") the estimated amount of the aggregate Purchase Price for the Units purchased by such Purchaser hereunder, by wire transfer of funds to the Escrow Agent. The estimated purchase price is $71.25 per Unit based upon an average closing price of the Common Stock estimated to be $0.65 per share. The Purchase Price shall be maintained in a segregated account until the Closing Date and shall be released either (a) upon the consummation of the transaction contemplated hereunder; or (b) upon the termination of this Agreement in accordance with Section 7.

2. Closing Date and Delivery.

2.1. Closing Date. The closing of the purchase and sale of the Units hereunder (the "Closing") will be held at such time (the "Closing Date") as shall be agreed upon by the Company and the Escrow Agent and shall occur at the offices of the Company, 26118 Research Road, Hayward, CA 94545. The Closing Date shall occur upon receipt of subscriptions for all of the Units offered by the Company (or such lesser amount as determined by the Company, but not less than the Minimum Investment Amount), but in no event shall the Closing Date be later than April 30, 2001.

2.2. Deliveries at Closing. At the Closing, the Company shall deliver the following to each Purchaser: (a) a stock certificate registered in such Purchaser's name, or in such nominee name(s) as designated by the Purchaser in writing, representing the Shares purchased by such Purchaser; (b) a Warrant in such Purchaser's name, or in such nominee name(s) as designated by the Purchaser in writing; and (c) a certificate, signed by an officer of the Company, to the effect that (i) the representations and warranties of the Company contained in this Agreement are true and correct in all material respects on and as of the Closing Date as though newly made on and as of that date (except for representations and warranties which speak as of the date of this Agreement or as of

another specific date or period, which shall continue to be true and correct in all material respects as of the respective dates and for the respective periods covered thereby); and (ii) the Company has performed and complied with, in all material respects, all of its covenants contained in this Agreement and required to be performed or complied with on or before the Closing. Each Purchaser's obligation to purchase the Units shall be subject to the following conditions:

(a) the accuracy of the representations and warranties made by the Company herein and the fulfillment of those undertakings of the Company to be fulfilled prior to Closing;

(b) delivery of the certificates representing the Shares and the Warrants.

The Company's obligation to sell the Units shall be subject to the following conditions:

(a) the accuracy of the representations and warranties made by each Purchaser herein and the fulfillment of those undertakings of each Purchaser to be fulfilled prior to the Closing; and

(b) each Purchaser's payment of the Purchase Price to the Escrow Agent.

Upon satisfaction of all the conditions to Closing set forth in this Agreement, the Escrow Agent shall be directed to deliver to the Company the aggregate Purchase Price for the Units, less any expenses that the Company has agreed to reimburse to its counsel, which the Escrow Agent shall pay directly to the Company.

3. Representations and Warranties by the Company. The Company represents and warrants to each Purchaser as of the date hereof and as of the Closing Date that, except as set forth in the Disclosure Schedule attached hereto as Schedule II (the "Disclosure Schedule") or in the SEC Reports (as hereinafter defined):

3.1. Organization and Standing. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of California, and has the requisite corporate power and authority to own, lease and operate its properties and to carry on its business as now being conducted. The Company is qualified to do business and is in good standing as a foreign corporation in every jurisdiction in which the failure to so qualify would have a material adverse effect on the financial condition or business of the Company.

3.2. Changes. Except as set forth in the SEC Reports, since December 31, 2000, the Company has not, to the extent material to the Company: (a) incurred any debts, obligations or liabilities, absolute, accrued or contingent, whether due or to become due, other than in the ordinary course of business; (b) mortgaged, pledged or subjected to lien, charge, security interest or other encumbrance any of its assets, tangible or intangible, other than in the ordinary course of business; (c) waived any debt owed to the Company or its subsidiaries, other than in the ordinary course of business; (d) satisfied or discharged any lien, claim or encumbrance or paid any obligation other than in the ordinary course of business; (e) declared or paid any dividends, other than in the ordinary course of business; or (f) entered into any transaction other than in the usual and ordinary course of business.

3.3. Litigation. Except as set forth in the Disclosure Schedule or the SEC Reports, there are no legal actions, suits, arbitrations or other legal, administrative or governmental proceedings pending or, to the Company's knowledge, threatened against the Company or its properties, assets or business, and the Company is not aware of any facts which might result in or form the basis for any such action, suit or other proceeding, in each case which, if adversely determined, would individually or in the aggregate have a material adverse effect on the financial condition or business of the Company.

3.4. Compliance with Other Instruments. Except for such matters which, either individually or in the aggregate, would not have a material adverse effect on the financial condition or business of the Company, the execution and delivery of, and the performance and compliance with, this Agreement and the Warrants and the transactions contemplated hereby or thereby, with or without the giving of notice or passage of time, will not (a) result in any breach of, or constitute a default under, or result in the imposition of any lien or encumbrance upon any

asset or property of the Company pursuant to any agreement or other instrument to which the Company is a party or by which it or any of its properties, assets or rights is bound or affected; (b) violate the Amended and Restated Articles of Incorporation (the "Articles") or Bylaws (the "Bylaws") of the Company, or any law, rule, regulation, judgment, order or decree; or (c) except for the registration of the Shares and the Warrant Shares (as hereinafter defined) under the Securities Act of 1933, as amended (the "Securities Act"), the listing of the Shares and the Warrant Shares on the AMEX and such consents, approvals, authorizations, registrations or qualifications as may be required under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and applicable state securities laws in connection with the purchase of the Shares and the Warrants by the Purchasers, require any consent, approval, authorization or order of or filing with any court or governmental agency or body. The Company is not in violation of its Articles or Bylaws nor in violation of, or in default under, any lien, mortgage, lease, agreement or instrument, except for such defaults which would not, individually or in the aggregate, have a material adverse effect on the financial condition or business of the Company. The Company is not subject to any restriction which would prohibit the Company from entering into or performing its obligations under this Agreement or the Warrants, except for such restrictions which would not, individually or in the aggregate, have a material adverse effect on the ability of the Company to perform its obligations under this Agreement and the Warrants.

3.5. Reports and Financial Statements. As of their respective filing dates, the Company's Form 10-K for the year ended December 31, 2000, the Company's Proxy Statement in connection with the 1999 Annual Meeting of Shareholders and all Forms 10-Q and 8-K filed by the Company with the Securities and Exchange Commission (the "SEC") after January 1, 2000, in each case without exhibits thereto (the "SEC Reports") were prepared in all material respects in accordance with the requirements of the Securities Act or the Exchange Act, as the case may be, and the rules and regulations of the SEC thereunder applicable to such SEC Reports. The SEC Reports, when read as a whole, do not contain any untrue statements of a material fact and do not omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The audited consolidated financial statements and unaudited interim financial statements of the Company included in the SEC Reports have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis (except as may be indicated therein or in the notes thereto) and fairly present, in all material respects, the financial position of the Company as at the dates thereof and the results of its operations and cash flows for the periods then ended subject, in the case of the unaudited interim financial statements, to normal year-end adjustments and any other adjustments described in such financial statements.

3.6. Shares. The Shares, the Warrants and the shares of Common Stock issuable upon the exercise of the Warrants (the "Warrant Shares"), when issued and paid for pursuant to the terms of this Agreement or the Warrants, as applicable, will be duly and validly authorized, issued and outstanding, fully paid, nonassessable and free and clear of all pledges, liens, encumbrances and restrictions (other than arising under federal or state securities laws). The issuance of the Shares, the Warrants and the Warrant Shares is not subject to any preemptive or other similar rights. The Company has duly reserved _____ shares of its authorized but unissued Common Stock for issuance upon exercise of the Warrants by the Purchasers, and such shares shall remain so reserved (subject to reduction from time to time for Common Stock issued upon the exercise of the Warrants), as long as the Warrants are exercisable.

3.7. Capital Stock. As of December 31, 2000, 25,303,091 shares of the Common Stock were issued and outstanding, 2,155,715 shares of the Company's Series A Preferred Stock, no par value per share (the "Preferred Stock"), were issued and outstanding, which are convertible into 2,155,715 shares of Common Stock, and options and/or warrants to purchase 7,556,630 shares of Common Stock were issued and outstanding. All of the outstanding shares of the Company's capital stock are validly issued, fully paid and nonassessable. Except as set forth in this Section 3.7, as of December 31, 2000, there are no outstanding subscriptions, options, warrants, calls, contracts, demands, commitments, conversion rights or other agreements or arrangements of any character or nature whatever under which the Company is or may be obligated to issue its Common Stock, Preferred Stock or warrants or options to purchase the Common Stock or the Preferred Stock. No holder of any security of the Company is entitled to any preemptive or similar rights to purchase any securities of the Company.

3.8. Corporate Acts and Proceedings. This Agreement has been duly authorized by the requisite corporate action and has been duly executed and delivered by an authorized officer of the Company, and is a valid and binding obligation of the Company, enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting

the enforcement of creditors' rights generally and as to limitations on the enforcement of the remedy of specific performance and other equitable remedies. The requisite corporate action necessary for the authorization, reservation, issuance and delivery of the Shares, the Warrants and the Warrant Shares has been taken by the Company. Upon execution and delivery thereof by a duly authorized officer of the Company, the Warrants will be valid and binding obligations of the Company, enforceable in accordance with their terms except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting the enforcement of creditors' rights generally and as to limitations on the enforcement of the remedy of specific performance and other equitable remedies.

3.9. No Implied Representations. All of the Company's representations and warranties are contained in this Agreement, and no other representations or warranties by the Company shall be implied.

3.10. Filing of Reports. Since the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000, the Company has filed with the SEC all reports and other material required to be filed by it therewith pursuant to Section 13, 14 or 15(d) of the Exchange Act and the Company is eligible to register the offer and resale of the Shares and the Warrant Shares by the holders thereof on a Registration Statement on Form S-3.

3.11. Compliance with Laws. The business and operations of the Company have been conducted in accordance with all applicable laws, rules and regulations of all governmental authorities, except for such violations which would not, individually or in the aggregate, have a material adverse effect on the financial condition or business of the Company.

3.12. Proprietary Rights. To the knowledge of the Company, the Company owns or is licensed to use all patents, patent applications, inventions, trademarks, trade names, applications for registration of trademarks, service marks, service mark applications, copyrights, trade secrets, licenses and rights in any thereof and any other intangible property and assets (herein called the "Proprietary Rights") which are material to the business of the Company. Except as would not have a material adverse effect on the financial condition or business of the Company, the Company does not have any knowledge of, and the Company has not given or received any notice of, any pending conflicts with or infringement of the rights of others with respect to any Proprietary Rights. Except as would not have a material adverse effect on the financial condition or business of the Company, no action, suit, arbitration, or legal, administrative or other proceeding, or investigation is pending or, to the knowledge of the Company, threatened, which involves any Proprietary Rights. Except as would not have a material adverse effect on the financial condition or business of the Company, to the knowledge of the Company, no Proprietary Rights used by the Company, and no services or products sold by the Company, conflict with or infringe upon any proprietary rights owned or licensed by any third party. Except as would not have a material adverse effect on the financial condition or business of the Company, no claims have been asserted by any person with respect to the validity of the Company's ownership or right to use the Proprietary Rights and, to the knowledge of the Company, there is no reasonable basis for any such claim to be successful.

3.13. Compliance with Environmental Laws. Except as would not, singly or in the aggregate, have a material adverse effect on the financial condition or business of the Company, the Company is not in violation of any applicable statute, law or regulation relating to the environment or occupational health and safety, and to the Company's knowledge, no expenditures material to the Company are or will be required to comply with any such existing statute, law or regulation. To the Company's knowledge, the Company does not have any liability to any governmental authority or other third party arising under or as a result of any such past or existing statute, law or regulation, which liability would be material to the Company.

3.14. Permits, Licenses, Etc. The Company owns, possesses or has obtained, and is operating in compliance with, all governmental and administrative licenses, permits, certificates, registrations, approvals, consents and other authorizations (collectively, "Permits") necessary to own or lease (as the case may be) and operate its properties, whether tangible or intangible, and to conduct its businesses or operations as currently conducted, except such licenses, permits, certificates, registrations, approvals, consents and authorizations the failure of which to obtain would not have a material adverse effect on the financial condition or business of the Company. The Company has not received any notice of proceedings relating to the revocation, modification or suspension of any Permits or any circumstance which would lead it to believe that such proceedings are reasonably likely.

3.15. Insurance. The Company maintains insurance of the type and in the amount which the Company believes is reasonably adequate for its business, including, but not limited to, insurance covering all real and personal property owned or leased by the Company against theft, damage, destruction, acts of vandalism and all other risks customarily insured against by similarly situated companies, all of which insurance is in full force and effect.

3.16. Brokers or Finders. No agent, broker, investment banker or other person (as such term is defined in the Securities Act) is or will be entitled to any broker's or finder's fee or any other commission or similar fee from the Company in connection with any of the transactions contemplated hereby.

3.17. Closing Date. All the representations and warranties made by the Company in this Section 3 shall be true and complete from the date of this Agreement through the Closing Date and the Company shall provide each Purchaser, before the Closing, with any documents or information necessary for such representations and warranties to remain true and complete as of the Closing Date.

4. Representations and Warranties by the Purchasers; Restrictions on Transfer. Each Purchaser severally represents and warrants to, and covenants and agrees with, the Company, as of the Closing Date, as follows:

4.1. Authorization. Purchaser has all requisite legal and corporate or other power and capacity and has taken all requisite corporate or other action to execute and deliver this Agreement, to purchase the Shares and the Warrants to be purchased by it and to carry out and perform all of its obligations under this Agreement. This Agreement constitutes the legal, valid and binding obligation of Purchaser, enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other similar laws affecting the enforcement of creditors' rights generally and as to limitations on the enforcement of the remedy of specific performance and other equitable remedies.

4.2. Investor Status. Purchaser is an "Accredited Investor" as defined in Rule 501 of the Securities Act or a "Qualified Institutional Buyer," as such term is defined in Rule 144A of the Securities Act. Purchaser is aware of the Company's business affairs and financial condition and has had access to and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Shares and the Warrants. Purchaser has such business and financial experience as is required to give it the capacity to protect its own interests in connection with the purchase of the Shares and Warrants and is able to bear the risks of an investment in the Shares and the Warrants. Purchaser is not itself a "broker" or a "dealer" as defined in the Exchange Act and is not an "affiliate" of the Company as defined in Rule 405 of the Securities Act.

4.3. Investment Intent. Purchaser is purchasing the Shares and the Warrants for its own account as principal, for investment purposes only, and not with a present view to or for resale, distribution or fractionalization thereof, in whole or in part, within the meaning of the Securities Act. Purchaser understands that its acquisition of the Shares and the Warrants has not been registered under the Securities Act or registered or qualified under any state securities law in reliance on specific exemptions therefrom, which exemptions may depend upon, among other things, the bona fide nature of Purchaser's investment intent as expressed herein. Purchaser has, in connection with its decision to purchase the number of Shares and the Warrants set forth in this Agreement, relied solely upon the representations and warranties of the Company contained herein. Purchaser will not, directly or indirectly, offer, sell, pledge, transfer or otherwise dispose of (or solicit any offers to buy, purchase or otherwise acquire or take a pledge of) any of the Shares or the Warrants, except in compliance with the Securities Act and the rules and regulations promulgated thereunder and all applicable state securities laws.

4.4. Registration or Exemption Requirements. Purchaser further acknowledges and understands that the Shares, the Warrants and the Warrant Shares may not be resold or otherwise transferred except in a transaction registered under the Securities Act and applicable state securities laws unless counsel to the Company shall advise the Company that such transfer may be effected without such registration. Purchaser understands that until the Shares, the Warrants and the Warrant Shares have been registered under the Securities Act and all applicable state securities laws, the certificates evidencing the Shares, the Warrants and the Warrant Shares will be imprinted with a legend that prohibits the transfer of the Shares, the Warrants and the Warrant Shares.

4.5. Restriction on Sales, Short Sales and Hedging Transactions. Purchaser represents and agrees that during the period from the date Purchaser was first contacted with respect to the potential purchase of the Shares and the Warrants through the date of the execution of this Agreement by Purchaser, Purchaser did not, directly or indirectly, execute or effect or cause to be executed or effected any short sale, option or equity swap transaction in or with respect to the Common Stock or any other derivative security transaction the purpose or effect of which is to hedge or transfer to a third party all or any part of the risk of loss associated with the ownership of the Shares and the Warrants by the Purchaser (collectively, a "Hedging Transaction").

4.6. No Legal, Tax Or Investment Advice. Purchaser understands that nothing in this Agreement or any other materials presented to Purchaser in connection with the purchase and sale of the Shares and the Warrants constitutes legal, tax or investment advice. Purchaser has consulted such legal, tax and investment advisors as it, in its sole discretion, has deemed necessary or appropriate in connection with its purchase of the Shares and the Warrants.

4.7. Brokers or Finders. Upon the consummation of the transactions contemplated by this Agreement, no agent, broker, investment banker or other Person is or will be entitled to any broker's or finder's fee or any other commission or similar fee from the Purchaser in connection with any of the transactions contemplated hereby.

4.8. Closing Date. All the representations and warranties made by each Purchaser in this Section 4 shall be true and complete from the date of this Agreement through the Closing Date and each Purchaser shall provide the Company, before the Closing, with any documents or information necessary for such representations and warranties to remain true and complete as of the Closing Date.

5. Covenants.

5.1. Registration Requirements.

(a) Promptly after, but not later than 30 days after, the Closing Date, the Company shall prepare and file a registration statement (the "Registration Statement") with the SEC to register the offer and resale of the Shares and the Warrant Shares (together, the "Registrable Securities") by the Purchasers and shall use commercially reasonable efforts to cause such Registration Statement to become effective within 90 days from the Closing Date or not more than five days from the date upon which the SEC shall allow the Company to accelerate effectiveness, whichever is shorter. In the event that the Company shall fail to file the Registration Statement within the 30-day period following the Closing Date or shall fail to obtain effectiveness of the Registration Statement within the 90-day period following the Closing Date, the Company hereby agrees that it shall issue to each Purchaser Warrants to purchase such number of shares of Common Stock equal to 2% of the aggregate number of securities purchased by such Purchaser for each and every thirty (30) day period with respect to which such Registration Statement shall not be filed or effective, as the case may be (the "Penalty Warrant"); provided, however, that if the Placement Agent receives an opinion of counsel to the Company to the effect that the delay in obtaining effectiveness of the Registration Statement was not solely attributable to any actions taken or failed to be taken by the Company, then, such 90-day period shall be extended an additional 90 days without any Penalty Warrants required to be issued; provided, further, the Company shall not be obligated to issue any Penalty Warrants if the Registration Statement is not effective due to the Purchaser's failure to provide any information about itself that is necessary to be contained in such Registration Statement. The Penalty Warrants shall have an exercise price per share equal to 135% of the Market Price and shall be exercisable for a period of five years from the date of issuance and shall be substantially similar to the Warrants.

(b) The Company shall pay all Registration Expenses (as defined below) in connection with any registration, qualification or compliance hereunder and each Purchaser shall pay all Selling Expenses (as defined below) and other expenses that are not Registration Expenses relating to the Registrable Securities resold by such Purchaser. "Registration Expenses" shall mean all expenses, except for Selling Expenses, incurred by the Company in complying with the registration provisions herein described, including, without limitation, all registration, qualification and filing fees, printing expenses, escrow fees, fees and disbursements of counsel for the Company, blue sky fees and expenses and the expense of any special audits incident to or required by any such

registration. "Selling Expenses" shall mean all selling commissions, underwriting fees and stock transfer taxes applicable to the Registrable Securities and all fees and disbursements of counsel for any Purchaser.

(c) If the Registration Statement becomes effective, the Company will use commercially reasonable efforts to: (i) keep such registration effective until the third anniversary of the date such Registration Statement is declared effective; (ii) except as provided in Section 5.1(f), prepare and file with the SEC such amendments and supplements to the Registration Statement and the prospectus used in connection with the Registration Statement as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all securities covered by the Registration Statement; (iii) furnish such number of prospectuses and other documents incident thereto, including any amendment of or supplement to the prospectus, as a Purchaser from time to time may reasonably request; (iv) cause the Shares and the Warrant Shares to be listed on the American Stock Exchange or any securities exchange or quoted on each quotation service on which the Common Stock of the Company is then listed or quoted; (v) provide a transfer agent and registrar for all securities registered pursuant to the Registration Statement and a CUSIP number for all such securities; and (vi) file the documents required of the Company and otherwise use commercially reasonable efforts to maintain requisite blue sky clearance in all U.S. jurisdictions in which any of the Shares are originally sold and all other states specified in writing by a Purchaser, provided, however, that the Company shall not be required to qualify to do business in any state in which it is not now so qualified or has not so consented.

(d) The Company shall furnish to each Purchaser upon request a reasonable number of copies of a supplement to or an amendment of the prospectus used in connection with the Registration Statement as may be necessary to facilitate the public sale or other disposition of all or any of the Registrable Securities held by Purchaser.

(e) With a view to making available to Purchasers the benefits of Rule 144 of the Securities Act and any other rule or regulation of the SEC that may at any time permit Purchasers to sell Registrable Securities to the public without registration, the Company covenants and agrees to use commercially reasonable efforts to: (i) make and keep public information available as those terms are understood and defined in Rule 144 of the Securities Act until the earlier of (A) the date on which the Registrable Securities may be sold pursuant to Rule 144(k) (or any successor rule); or (B) such date as all of the Registrable Securities shall have been resold; (ii) file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and Exchange Act; and (iii) furnish to any Purchaser upon request, as long as the Purchaser owns any Registrable Securities (A) a written statement by the Company that it has complied with the reporting requirements of the Securities Act and the Exchange Act; (B) a copy of the most recent annual or quarterly report of the Company; and (C) such other information as may be reasonably requested in order to avail any Purchaser of any rule or regulation of the SEC that permits the selling of any such Registrable Securities without registration.

(f) Purchaser hereby acknowledges that there may be times when the Company must suspend the use of the prospectus forming a part of the Registration Statement until such time as an amendment to such Registration Statement has been filed by the Company and declared effective by the SEC or until the Company has amended or supplemented such prospectus. The Purchaser hereby covenants that it will not sell any securities pursuant to said prospectus during the period commencing at the time at which the Company gives the Purchaser notice of the suspension of the use of said prospectus and ending at the time the Company gives the Purchaser notice that Purchaser may thereafter effect sales pursuant to said prospectus. Notwithstanding anything herein to the contrary, the Company shall not suspend use of the Registration Statement by Purchaser unless such suspension is required by the federal securities laws and the rules and regulations promulgated thereunder.

(g) As to any particular Registrable Securities, such securities shall cease to be Registrable Securities when: (i) a registration statement covering such securities shall have become effective under the Securities Act and such securities have been disposed of in accordance with such registration statement; (ii) such securities may be sold pursuant to Rule 144(k) (or any successor rule); or (iii) such securities shall have ceased to be outstanding.

(h) No Purchaser shall be entitled to any right provided for in this Section 5.1 after the earlier of (i) three (3) years following the effective date of the Registration Statement; or (ii) the date on which the Registrable Securities may be sold pursuant to Rule 144(k) (or any successor rule).

5.2. Indemnification and Contribution.

(a) The Company agrees to indemnify and hold harmless each Purchaser from and against any losses, claims, damages or liabilities (or actions or proceedings in respect thereof) to which such Purchaser may become subject (under the Securities Act or otherwise) insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) arise out of, or are based upon (i) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact in the Registration Statement, on the effective date thereof, or any amendment or supplements thereto; or (ii) any violation by the Company of any Federal, state or common law rule or regulation applicable to the Company in connection with any such registration, and the Company will, as incurred, reimburse such Purchaser for any legal or other expenses reasonably incurred in investigating, defending or preparing to defend, settling, compromising or paying any such action, proceeding or claim; provided, however, that the Company shall not be liable in any such case to the extent that such loss, claim, damage or liability arises out of, or is based upon (i) an untrue statement or alleged untrue statement of a material fact or omission or alleged omission in any registration statement or prospectus in reliance upon and in conformity with written information furnished to the Company by or on behalf of such Purchaser specifically for use in preparation thereof; (ii) any untrue statement or alleged untrue statement of a material fact contained in any registration statement or prospectus delivered by the Purchaser after the Company had notified the Purchaser in writing that such registration statement or prospectus contained such untrue statement or alleged untrue statement; (iii) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading after the Company had notified the Purchaser in writing that such registration statement or prospectus contained such omission or alleged omission; or (iv) the failure of the Purchaser to deliver any preliminary or final prospectus, or any amendments or supplements thereto, required under applicable securities laws, including the Securities Act, to be so delivered, provided that a sufficient number of copies thereof had been previously provided by the Company to the Purchaser.

(b) Each Purchaser, severally and not jointly, agrees to indemnify and hold harmless the Company from and against any losses, claims, damages or liabilities (or actions or proceedings in respect thereof) to which the Company may become subject (under the Securities Act or otherwise) insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof) arise out of, or are based upon (i) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact in the Registration Statement, or any amendment or supplements thereto, in reliance upon and in conformity with written information furnished to the Company by or on behalf of such Purchaser specifically for use in preparation of the Registration Statement or (ii) an untrue statement or alleged untrue statement or omission or alleged omission in any prospectus that is corrected in any subsequent prospectus or supplement or amendment thereto, that was delivered to a Purchaser at least 1 day prior to the pertinent sale or sales by such Purchaser and not delivered by such Purchaser to the entity to which it made such sale(s) prior to such sale(s), and each Purchaser, severally and not jointly, will, as incurred, reimburse the Company for any legal or other expenses reasonably incurred in investigating, defending or preparing to defend any such action, proceeding or claim.

(c) Promptly after receipt by any indemnified person of a notice of a claim or the beginning of any action in respect of which indemnity is to be sought against an indemnifying person pursuant to this Section 5.2, such indemnified person shall notify the indemnifying person in writing of such claim or of the commencement of such action and, subject to the provisions hereinafter stated, in case any such action shall be brought against an indemnified person, the indemnifying person shall be entitled to participate therein, and, to the extent that it shall wish, to assume the defense thereof, with counsel reasonably satisfactory to the indemnified person. After notice from the indemnifying person to such indemnified person of the indemnifying person's election to assume the defense thereof, the indemnifying person shall not be liable to such indemnified person for any legal expenses subsequently incurred by such indemnified person in connection with the defense thereof; provided, however, that if there exists or shall exist a conflict of interest that would make it inappropriate in the opinion of outside counsel of the indemnified person for the same counsel to represent both the indemnified person and such indemnifying person or any affiliate or associate thereof, the indemnified person shall be entitled to retain its own counsel at the expense of such indemnifying person; provided, further, that the indemnifying person shall not be obligated to assume the expenses of more than one counsel to represent all indemnified persons. No indemnifying person shall be liable for any settlement of any action or proceeding effected without its written consent. No indemnifying person shall, without the consent of the indemnified person (which consent shall not be reasonably

withheld or delayed), consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified person of a release from all liability in respect to such claim or litigation.

(d) If the indemnification provided for in this Section 5.2 is unavailable to or insufficient to hold harmless an indemnified person under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions or proceedings in respect thereof) referred to therein, then each indemnifying person shall contribute to the amount paid or payable by such indemnified person as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative fault of the Company on the one hand and each Purchaser on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or a Purchaser on the other. The Company and the Purchasers agree that it would not be just and equitable if contribution pursuant to this subsection (d) were determined by pro rata allocation (even if the Purchasers were treated as one entity for such purpose) or by any other method of allocation which does not take into account the equitable considerations referred to above in this subsection (d). The amount paid or payable by an indemnified person as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified person in connection with investigating or defending any such action or claim. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Purchaser's obligations in this subsection (d) to contribute are several in proportion to their sales of Shares or Warrant Shares, as the case may be, to which such loss relates and not joint.

(e) The obligations of the Company and the Purchasers under this Section 5.2 shall be in addition to any liability which the Company and the respective Purchasers may otherwise have and the indemnification obligations hereunder shall extend, as applicable, upon the same terms and conditions, to directors, officers, employees and agents of the Company and the Purchasers and to each person, if any, who controls the Company or any Purchaser within the meaning of the Securities Act and the Exchange Act.

6. Restrictions on Transferability of Shares and Warrants; Compliance with Securities Act.

6.1. Restrictions on Transferability. The Shares, the Warrants and the Warrant Shares shall not be resold or otherwise transferred except in a transaction registered under the Securities Act and applicable state securities laws unless counsel to the Company shall advise the Company that such transfer may be effected without such registration.

6.2. Restrictive Legend. Until and unless the Shares and the Warrant Shares are registered under the Securities Act, each certificate representing the Shares and the Warrant Shares and each Warrant shall bear substantially the following legend (in addition to any legends required under applicable state securities laws):

> THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD OR OTHERWISE DISPOSED OF EXCEPT (A)(1) TO A PERSON WHOM THE TRANSFEROR REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT ACQUIRING FOR ITS OWN ACCOUNT OR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (2) TO AN ACCREDITED INVESTOR (AS DEFINED IN RULE 501(A) OF REGULATION D UNDER THE SECURITIES ACT) IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE

SECURITIES ACT (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER SUCH ACT AND APPLICABLE STATE SECURITIES LAWS AND (B) IN ACCORDANCE WILL ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND OTHER JURISDICTIONS.

6.3 Transfer of Shares and Warrants. Each Purchaser hereby covenants with the Company not to make any sale of the Shares or Warrants except either (a) a sale of Shares or Warrant Shares in accordance with the Registration Statement, in which case the Purchaser covenants to comply with the requirement of delivering a current prospectus, (b) a sale of Shares or Warrant Shares in accordance with Rule 144, in which case the Purchaser covenants to comply with Rule 144 and to deliver such additional certificates and documents as the Company may reasonably request, or (c) in accordance with another exemption from the registration requirements of the Securities Act. The legend set forth in Section 6.2 will be removed from a certificate representing Shares or the Warrant Shares, as the case may be, following and in connection with any sale of Shares or Warrant Shares pursuant to subsection (a) or (b) hereof but not in connection with any sale of Shares or Warrant Shares pursuant to subsection (c) hereof. The Company will substitute one or more replacement certificates without the legend at the request of the Purchaser promptly after such time as the Registration Statement becomes effective.

7. Termination.

7.1. Termination. This Agreement may be terminated at any time prior to the Closing:

(a) by mutual written agreement of the Company and the Purchasers;

(b) by the Company if the Closing shall not have been consummated on or before April 30, 2001;

(c) by either the Purchasers or the Company if a court of competent jurisdiction or governmental, regulatory or administrative agency or commission shall have issued a non-appealable final order, decree or ruling or taken any other action having the effect of permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement;

(d) by either the Purchasers or the Company (provided that the terminating party is not then in material breach of any representation, warranty, covenant or other agreement contained in this Agreement) in the event of a material breach by the other party of any representation or warranty contained in this Agreement which cannot be or has not been cured within 30 days after the giving of written notice to the breaching party of such breach; or

(e) by either the Purchasers or the Company (provided that the terminating party is not then in material breach of any representation, warranty, covenant or other agreement contained in this Agreement) in the event of a material breach by the other party of any covenant or agreement contained in this Agreement which cannot be or has not been cured within 30 days after the giving of written notice to the breaching party of such breach.

(f) by the Purchasers if the Company shall cease conducting business in the normal course; become insolvent or become unable to meet its obligations as they become due; make a general assignment for the benefit of creditors; petition, apply for, suffer or permit with or without its consent the appointment of custodian, receiver, trustee in bankruptcy or similar officer for all or any substantial part of its business or assets; avail itself or become subject to any proceeding under the Federal Bankruptcy Code or any similar state, federal or foreign statute relating to bankruptcy, insolvency, reorganization, receivership, arrangement, adjustment of debts, dissolutions or liquidation.

7.2. Effect of Termination. In the event of the termination of this Agreement pursuant to Section 7.1, this Agreement shall forthwith become void and there shall be no liability on the part of any party

hereto (or any stockholder, director, officer, partner, employee, agent, consultant or representative of such party) provided that nothing contained in this Agreement shall relieve any party from liability for any breach of this Agreement.

8. Miscellaneous.

8.1 Survival of Representations and Warranties. All representations and warranties contained herein shall survive the execution and delivery of this Agreement, any investigation at any time made by or on behalf of the Purchaser, and the sale and purchase of the Shares and the Warrants and payment therefor.

8.2. Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous arrangements or understandings with respect thereto.

8.3. Headings. The headings of the sections of this Agreement have been inserted for convenience of reference only and do not constitute a part of this Agreement.

8.4. Choice of Law. It is the intention of the parties that the internal laws of the State of California, without regard to the body of law controlling conflicts of law, shall govern the validity of this Agreement, the construction of its terms and the interpretation of the rights and duties of the parties set forth herein.

8.5. Counterparts. This Agreement may be executed concurrently in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

8.6. Assignment; Parties in Interest. This Agreement may not be pledged, assigned or otherwise transferred by the Purchasers except by operation of law but all the terms and provision of this Agreement shall be binding upon and inure to the benefit of and be enforced by the successors in interest of the parties hereto. Each successive transferee of the Purchasers shall be deemed to be a Purchaser for the purpose of Section 5 of this Agreement.

8.7. Amendments. No amendment, modification, waiver, discharge or termination of any provision of this Agreement nor consent to any departure by the Purchasers or the Company therefrom shall in any event be effective unless the same shall be in writing and signed by the party to be charged with enforcement, and then shall be effective only in the specific instance and for the purpose for which given. No course of dealing between the parties hereto shall operate as an amendment of, or a waiver of any right under, this Agreement.

8.8. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid, but if any provision of this Agreement is held to be invalid or unenforceable in any respect, such invalidity or unenforceability shall not render invalid or unenforceable any other provision of this Agreement.

8.9. Notices. All notices, requests, consents and other communications hereunder to any party shall be deemed to be sufficient if contained in a written instrument delivered in person or sent by telecopy, nationally recognized overnight courier or first class registered or certified mail, return receipt requested, postage prepaid, addressed to such party at the address set forth below or such other address as may hereafter be designated in writing by such party to the other party:

If to the Company, to:
Questcor Pharmaceuticals, Inc.
26118 Research Road
Hayward, California 94545
Attn: Hans P. Schmid

With a copy to:
Latham & Watkins
701 "B" Street, Suite 2100
San Diego, California 92101
Attn: David A. Hahn, Esq.

If to the Purchaser, to:
the address set forth on the
signature page of this Agreement

[SIGNATURE PAGES FOLLOW]

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

Questcor Pharmaceuticals, Inc.

By: ----------

Name: ----------

Title: ----------

PURCHASER SIGNATURE PAGE AND QUESTIONNAIRE

The undersigned Purchaser hereby executes the Stock and Warrant Purchase Agreement with Questcor Pharmaceuticals, Inc. (the "Company") and hereby authorizes this signature page to be attached to a counterpart of such document executed by a duly authorized officer of the Company.

No. of Shares to be Purchased: ----------

---------- Name of Purchaser (PLEASE PRINT OR TYPE)

No. of Shares Underlying Warrants:

Aggregate Purchase Price: $

By:

Title:

Purchaser is a ------- qualified institutional buyer OR

_____ an accredited investor as defined in Exhibit A

Name in which Shares and Warrants are to be registered: ----------

Address of registered holder:

Social Security or Tax ID No. of registered holder: ----------

Contact name and telephone number regarding Settlement and registration: ----------
Name

Telephone Number

EXHIBIT 4.2.2

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

QUESTCOR PHARMACEUTICALS, INC.

WARRANT FOR THE PURCHASE OF SHARES OF COMMON STOCK

April _____, 2001 _____ Shares

For Value Received, QUESTCOR PHARMACEUTICALS, INC., a California corporation (the "Company"), with its principal office at 26118 Research Road, Hayward, California 94545, hereby certifies that [_____] ("Holder"), or its assigns, in partial consideration for Holder's purchase of Common Stock pursuant to the Stock and Warrant Purchase Agreement dated April _____, 2001, by and among the Company and the Purchasers who are signatories thereto (the "Purchase Agreement"), is entitled, subject to the provisions of this Warrant, to purchase from the Company, at any time before 5:00 p.m. (Pacific Standard Time) on April _____, 2006 (the "Expiration Date"), the number of fully paid and nonassessable shares of Common Stock of the Company set forth above, subject to adjustment as hereinafter provided.

Holder may purchase such number of shares of Common Stock at an exercise price per share (as appropriately adjusted pursuant to Section 7 hereof) equal to 135% of the Market Price, as such term is defined in the Purchase Agreement (the "Exercise Price"). The term "Common Stock" shall mean the aforementioned Common Stock of the Company, together with any other equity securities that may be issued by the Company in addition thereto or in substitution therefor as provided herein.

The number of shares of Common Stock to be received upon the exercise of this Warrant and the price to be paid for a share of Common Stock are subject to adjustment from time to time as hereinafter set forth. The shares of Common Stock deliverable upon such exercise, as adjusted from time to time, are hereinafter sometimes referred to as "Warrant Shares."

SECTION 1. EXERCISE OF WARRANT. This Warrant may be exercised in whole or in part on any business day prior to the Expiration Date by presentation and surrender hereof to the

Company at its principal office at the address set forth in the initial paragraph hereof (or at such other address as the Company may hereafter notify Holder in writing) with the Purchase Form annexed hereto duly executed and accompanied by proper payment of the Exercise Price in lawful money of the United States of America in the form of a check or wire transfer of immediately available funds, subject to collection, for the number of Warrant Shares specified in the Purchase Form. If this Warrant should be exercised in part only, the Company shall, upon surrender of this Warrant, execute and deliver a new Warrant evidencing the rights of Holder thereof to purchase the balance of the Warrant Shares purchasable hereunder. Upon receipt by the Company of this Warrant and such Purchase Form, together with proper payment of the Exercise Price, at the principal office of the Company, Holder shall be deemed to be the holder of record of the Warrant Shares, notwithstanding that the stock transfer books of the Company shall then be closed or that certificates representing such Warrant Shares shall not then be actually delivered to Holder.

SECTION 2. RESERVATION OF SHARES. The Company hereby agrees that at all times there shall be reserved for issuance and delivery upon exercise of this Warrant all shares of its Common Stock or other shares of capital stock of the Company from time to time issuable upon exercise of this Warrant. All such shares shall be duly authorized and, when issued upon such exercise in accordance with the terms of this Warrant, shall be validly issued, fully paid and nonassessable.

SECTION 3. FRACTIONAL INTEREST. The Company will not issue a fractional share of Common Stock upon exercise of this Warrant. Instead, the Company will deliver its check for the current market value of the fractional share. The current market value of a fraction of a share is determined as follows: multiply the current market price of a full share by the fraction of a share and round the result to the nearest cent.

SECTION 4. TRANSFERS; ASSIGNMENT OR LOSS OF WARRANT.

(a) Subject to the terms and conditions contained in Section 9 hereof, this Warrant and all rights hereunder are transferable in whole or in part by Holder and any successor transferee; provided that prior to such transfer Holder shall give thirty (30) days prior written notice of any such transfer to the Company, and the Company shall have the right to acquire the Warrant under the identical provisions contained in such notice by giving Holder written notice within fifteen (15) days of receipt of such notice. The Company's failure to respond to said notice within said fifteen (15) days shall be deemed a waiver of this right of first refusal. The transfer shall be recorded on the books of the Company upon receipt by the Company of the Transfer Notice annexed hereto, at its principal offices and the payment to the Company of all transfer taxes and other governmental charges imposed on such transfer.

(b) Holder shall not, without obtaining the prior written consent of the Company, which consent shall not be unreasonably withheld, assign its interest in this Warrant in whole or in part to any person or persons. Subject to the provisions of Section 9, upon surrender of this Warrant to the Company or at the office of its stock transfer agent or warrant agent, with the Assignment Form annexed hereto duly executed and funds sufficient to pay any transfer tax, the Company shall, without charge, execute and deliver a new Warrant or Warrants in the name

of the assignee or assignees named in such instrument of assignment (any such assignee will then be a "Holder" for purposes of this Warrant) and, if Holder's entire interest is not being assigned, in the name of Holder, and this Warrant shall promptly be canceled.

(c) Upon receipt of evidence satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant, and (in the case of loss, theft or destruction) of indemnification satisfactory to the Company, and upon surrender and cancellation of this Warrant, if mutilated, the Company shall execute and deliver a new Warrant of like tenor and date. In the event that this Warrant is lost, stolen, destroyed or mutilated, Holder shall pay all reasonable attorneys' fees and expenses incurred by the Company in connection with the replacement of this Warrant and the issuance of a new Warrant.

SECTION 5. RIGHTS OF HOLDER. Holder shall not, by virtue hereof, be entitled to any rights of a stockholder in the Company, either at law or equity, and the rights of Holder are limited to those expressed in this Warrant. Nothing contained in this Warrant shall be construed as conferring upon Holder hereof the right to vote or to consent or to receive notice as a stockholder of the Company on any matters or with respect to any rights whatsoever as a stockholder of the Company. No dividends or interest shall be payable or accrued in respect of this Warrant or the interest represented hereby or the Warrant Shares purchasable hereunder until, and only to the extent that, this Warrant shall have been exercised in accordance with its terms.

SECTION 6. ADJUSTMENT OF EXERCISE PRICE AND NUMBER OF SHARES. The number and kind of securities purchasable upon the exercise of the Warrant and the Exercise Price shall be subject to adjustment from time to time upon the occurrence of certain events, as follows:

(a) RECLASSIFICATION OF OUTSTANDING SECURITIES. In case of any reclassification, change or conversion of securities of the class issuable upon exercise of this Warrant (other than a change in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination), the Company shall execute a new Warrant (in form and substance reasonably satisfactory to the Holder of this Warrant) providing that the Holder of this Warrant shall have the right to exercise such new Warrant and upon such exercise to receive, in lieu of each share of Common Stock theretofore issuable upon exercise of this Warrant, the kind and amount of shares of stock, other securities, money and property receivable upon such reclassification or change by a holder of one share of Common Stock. Such new Warrant shall provide for adjustments that shall be as nearly equivalent as may be practicable to the ad.justments provided for in this Section 6. The provisions of this subsection (a) shall similarly apply to successive reclassification or changes.

(b) SUBDIVISIONS OR COMBINATION OF SHARES. If the Company at any time while this Warrant remains outstanding and unexpired shall subdivide or combine its Common Stock, the Exercise Price and the number of Warrant Shares issuable upon exercise hereof shall be proportionately adjusted.

(c) STOCK DIVIDENDS. If the Company at any time while this Warrant is outstanding and unexpired shall pay a dividend payable in shares of Common Stock (except any distribution specifically provided for in the foregoing subsections (a) and (b)), then the Exercise Price shall be adjusted, from and after the date of determination of shareholders entitled to receive such dividend or distribution, to that price determined by multiplying the Exercise Price in effect immediately prior to such date of determination by a fraction (a) the numerator of which shall be the total number of shares of Common Stock outstanding immediately prior to such dividend or distribution, and (b) the denominator of which shall be the total number of shares of Common Stock outstanding immediately after such dividend or distribution, and the number of Warrant Shares subject to this Warrant shall be proportionately adjusted.

(d) NOTICE OF RECORD DATE. In the event of any taking by the Company of a record of its shareholders for the purpose of determining shareholders who are entitled to receive payment of any dividend (other than a cash dividend) or other distribution, any right to subscribe for, purchase or otherwise acquire any share of any class or any other securities or property, or to receive any other right, or for the purpose of determining shareholders who are entitled to vote in connection with any proposed merger or consolidation of the Company with or into any other corporation, or any proposed sale, lease or conveyance of all or substantially all of the assets of the Company, or any proposed liquidation, dissolution or winding up of the Company, the Company shall mail to the Holder of this Warrant, at least ten days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution or right.

(e) NO ADJUSTMENT UPON EXERCISE OF WARRANTS. No adjustments shall be made under any Section herein in connection with the issuance of Warrant Shares upon exercise of the Warrants.

SECTION 7. OFFICER'S CERTIFICATE. Whenever the Exercise Price shall be adjusted as required by the provisions of Section 8, the Company shall deliver an officer's certificate showing the adjusted Exercise Price determined as herein provided, setting forth in reasonable detail the facts requiring such adjustment and the manner of computing such adjustment. Each such officer's certificate shall be signed by the chairman, president or chief financial officer of the Company.

SECTION 8. TRANSFER TO COMPLY WITH THE SECURITIES ACT OF 1933. This Warrant may not be exercised and neither this Warrant nor any of the Warrant Shares, nor any interest in either, may be offered, sold, assigned, pledged, hypothecated, encumbered or in any other manner transferred or disposed of, in whole or in part, except in compliance with applicable United States federal and state securities or blue sky laws and the terms and conditions hereof. Each Warrant shall bear a legend in substantially the same form as the legend set forth on the first page of this Warrant. Each certificate for Warrant Shares issued upon exercise of this Warrant, unless at the time of exercise such Warrant Shares are acquired pursuant to a registration statement that has been declared effective under the Securities Act of

1933, as amended (the "Securities Act"), and applicable blue sky laws, shall bear a legend substantially in the following form:

> THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF ANY STATE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

Any certificate for any Warrant Shares issued at any time in exchange or substitution for any certificate for any Warrant Shares bearing such legend (except a new certificate for any Warrant Shares issued after the acquisition of such Warrant Shares pursuant to a registration statement that has been declared effective under the Securities Act) shall also bear such legend unless, in the opinion of counsel for the Company, the Warrant Shares represented thereby need no longer be subject to the restriction contained herein. The provisions of this Section 8 shall be binding upon all subsequent holders of certificates for Warrant Shares bearing the above legend and all subsequent holders of this Warrant, if any.

SECTION 9. REPRESENTATIONS AND COVENANTS OF HOLDER. This Warrant has been entered into by the Company in reliance upon the following representations and covenants of Holder, which by its execution hereof Holder hereby confirms:

(a) INVESTMENT PURPOSE. The right to acquire Common Stock, and any Common Stock issued upon exercise of Holder's rights contained herein, will be acquired for investment and not with a view to the sale or distribution of any part thereof, and Holder has no present intention of selling or engaging in any public distribution of the same except pursuant to a registration or exemption.

(b) PRIVATE ISSUE. Holder understands (i) that the Common Stock issuable upon exercise of Holder's rights contained herein is not registered under the Securities Act or qualified under applicable state securities laws on the ground that the issuance contemplated by this Warrant will be exempt from the registration and qualification requirements thereof, and (ii) that the Company's reliance on such exemption is predicated on the representations set forth in this Section 9.

(c) DISPOSITION OF HOLDER'S RIGHTS. In no event will Holder make a disposition of any of its rights to acquire Common Stock, or of any Common Stock issued upon exercise of such rights, unless and until (i) it shall have notified the Company of the proposed disposition, and (ii) if requested by the Company, it shall have furnished the Company with an

opinion of counsel (which counsel may either be inside or outside counsel to Holder) satisfactory to the Company and its counsel to the effect that (A) appropriate action necessary for compliance with the Securities Act has been taken, or (B) an exemption from the registration requirements of the Securities Act is available. Notwithstanding the foregoing, the restrictions imposed upon the transferability of any of its rights to acquire Common Stock, or of any Common Stock issued on the exercise of such rights do not apply to transfers from the beneficial owner of any of the aforementioned securities to its nominee or from such nominee to its beneficial owner, and shall terminate as to any particular share of Common Stock when (1) such security shall have been effectively registered under the Act and sold by the holder thereof in accordance with such registration, (2) such security shall have been sold without registration in compliance with Rule 144 under the Securities Act, or (3) a letter shall have been issued to Holder at its request by the staff of the Securities and Exchange Commission or a ruling shall have been issued to Holder at its request by such Commission stating that no action shall be recommended by such staff or taken by such Commission, as the case may be, if such security is transferred without registration under the Securities Act in accordance with the conditions set forth in such letter or ruling, and such letter or ruling specifies that no subsequent restrictions on transfer are required. Whenever the restrictions imposed hereunder shall terminate, as hereinabove provided, Holder or a holder of a share of Common Stock then outstanding as to which such restrictions have terminated shall be entitled to receive from the Company, without expense to such holder, one or more new certificates for the Warrant or for such shares of Common Stock not bearing any restrictive legend.

(d) FINANCIAL RISK. Holder has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment and has the ability to bear the economic risks of its investment.

(e) RULE 144. Holder also understands that any sale of its rights to purchase Common Stock, or of any Common Stock, which might be made by it in reliance upon Rule 144 under the Securities Act may be made only in accordance with the terms and conditions of that Rule.

(f) ACCREDITED INVESTOR. Holder is an "accredited investor" within the meaning of the Securities Act Rule 501 of Regulation D, as presently in effect.

SECTION 10. REGISTRATION RIGHTS. The Warrant Shares issuable upon the exercise of this Warrant are subject of certain registration rights granted by the Company to the Holder as more specifically set forth in the Purchase Agreement.

SECTION 11. SATURDAYS, SUNDAYS AND HOLIDAYS. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall be a Saturday or a Sunday or shall be a legal holiday in the State of California, then such action may be taken or such right may be exercised on the next succeeding day not a Saturday, Sunday or legal holiday in the State of California.

SECTION 12. ISSUE TAX. The issuance of certificates for Common Stock upon the exercise of the Warrant shall be made without charge to the holder of the Warrant for any issue

tax (other than any applicable income taxes) in respect thereof; provided, however, that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificates in a name other than that of the then Holder of the Warrant being exercised.

SECTION 13. MODIFICATION AND WAIVER. Neither this Warrant nor any term hereof may be changed, waived, discharged or terminated other than by an instrument in writing signed by the Company and by Holder.

SECTION 14. NOTICES. Unless otherwise specified herein, any notice, request or other document required or permitted to be given or delivered to Holder or the Company shall be given in writing and shall be deemed effectively given (i) upon personal delivery to the party to be notified, (ii) three (3) days after deposit in the United States mail if sent by registered or certified mail, postage prepaid, or (iii) one (1) day after deposit with an overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to Holder at its address as shown on the books of the Company, or to the Company at the address indicated therefor in the first paragraph of this Warrant.

SECTION 15. DESCRIPTIVE HEADINGS AND GOVERNING LAW. The description headings of the several sections and paragraphs of this Warrant are inserted for convenience only and do not constitute a part of this Warrant. This Warrant shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of California, without regard to its conflicts of laws principles.

SECTION 16. ATTORNEYS' FEES. In any litigation, arbitration or court proceeding between the Company and Holder relating hereto, the prevailing party shall be entitled to attorneys' fees and expenses and all costs of proceedings incurred in enforcing this Warrant.

SECTION 17. SURVIVAL. The representations, warranties, covenants and conditions of the respective parties contained herein or made pursuant to this Warrant shall survive the execution and delivery of this Warrant.

SECTION 18. SEVERABILITY. In the event any one or more of the provisions of this Warrant shall for any reason be held invalid, illegal or unenforceable, the remaining provisions of this Warrant shall be unimpaired, and the invalid, illegal or unenforceable provision shall be replaced by a mutually acceptable valid, legal and enforceable provision, which comes closest to the intention of the parties underlying the invalid, illegal or unenforceable provision.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has duly caused this Warrant to be signed by its duly authorized officer and to be dated as of the date first above written.

COMPANY:

QUESTCOR PHARMACEUTICALS, INC.

By:

Charles J. Casamento
Chief Executive Officer

PURCHASE FORM

Dated _____, ____

The undersigned hereby irrevocably elects to exercise the within Warrant to purchase _____ shares of Common Stock and hereby makes payment of $_____ in payment of the exercise price thereof, together with all applicable transfer taxes, if any.

In exercising its rights to purchase the Common Stock of Questcor Pharmaceuticals, Inc., the undersigned hereby confirms and acknowledges the investment representations and warranties made in Section 9 of the Warrant.

Please issue a certificate or certificates representing said shares of Common Stock in the name of the undersigned or in such other name as is specified below.

(Name)

(Address)

HOLDER:

[_____]

By:

Print Name:

Title:

ASSIGNMENT FORM

Dated _____, _____

FOR VALUE RECEIVED, [_____] hereby sells, assigns and transfers unto _____
(the "Assignee"), (please type or print in block letters)

- ---------- (insert address)

its right to purchase up to _____shares of Common Stock represented by this Warrant and does hereby irrevocably constitute and appoint _____ attorney, to transfer the same on the books of the Company, with full power of substitution in the premises.

[_____]

By:

Print Name:

Title:

TRANSFER NOTICE

(To transfer or assign the foregoing Warrant, execute this form and supply required information. Do not use this form to purchase shares.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby transferred and assigned to:

- ----------

(Please Print)

whose address is

- ----------

Dated

Holder's Signature

Holder's Address

Note: The signature to this Transfer Notice must correspond with the name as it appears on the face of the Warrant, without alteration or enlargement or any change whatever. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Warrant.

EXHIBIT 5.1

[LATHAM & WATKINS LETTERHEAD]

May 29, 2001

FILE NO. 027048-0012

Questcor Pharmaceuticals, Inc.
3260 Whipple Road
Union City, California 94587

Re: Registration Statement on Form S-3;
1,225,200 Shares of Common Stock, no par value per share

Ladies and Gentlemen:

In connection with the registration under the Securities Act of 1933, as amended, of 1,225,200 shares (the "Shares") of common stock, no par value per share, of Questcor Pharmaceuticals, Inc., a California corporation (the "Company"), including 816,800 Shares which are presently issued and outstanding (the "Issued Shares") and a total of 408,400 Shares which may be issued in the future upon exercise of certain warrants (the "Warrant Shares"), on a registration statement on Form S-3 filed with the Securities and Exchange Commission on May 29, 2001 (the "Registration Statement") to register certain resales of the Shares by the selling security holders named in the Registration Statement, you have requested our opinion with respect to the matters set forth below.

In our capacity as your counsel in connection with such registration, we are familiar with the proceedings taken and proposed to be taken by the Company in connection with the authorization, issuance and sale of the Shares, and for the purposes of this opinion, have assumed such proceedings will be timely completed in the manner presently proposed. In addition, we have made such legal and factual examinations and inquiries, including an examination of originals or copies certified or otherwise identified to our satisfaction of such documents, corporate records and instruments, as we have deemed necessary or appropriate for purposes of this opinion.

In our examination, we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, and the conformity to authentic original documents of all documents submitted to us as copies.

We are opining herein as to the effect on the subject transaction only of the internal laws of the State of California, and we express no opinion with respect to the applicability thereto, or the effect thereon, of the laws of any other jurisdiction or as to any matters of municipal law or the laws of any local agencies within any state.

Subject to the foregoing, it is our opinion that as of the date of this opinion,the Issued Shares are, and upon exercise of the warrants and payment for the Warrant Shares in accordance with the terms set forth in the respective warrants under which such Warrant Shares will be issued, the Warrant Shares will be, legally and validly issued, fully paid and nonassessable.

We consent to your filing this opinion as an exhibit to the Registration Statement and to the reference to our firm contained under the heading "Legal Matters."

Very truly yours,

/S/ LATHAM & WATKINS

EXHIBIT 23.2

CONSENT OF ERNST & YOUNG LLP, INDEPENDENT AUDITORS

We consent to the reference to our firm under the caption "Experts" in the Registration Statement (Form S-3) and related Prospectus of Questcor Pharmaceuticals, Inc. for the registration of 1,225,000 shares of its common stock and to the incorporation by reference therein of our report dated February 16, 2001 (except for Note 1, paragraph 3 and 5, and Note 13, as to which the date is April 12, 2001), with respect to the consolidated financial statements and schedule of Questcor Pharmaceuticals, Inc. included in its Annual Report (Form 10-K/A) for the year ended December 31, 2000, filed with the Securities and Exchange Commission.

ERNST & YOUNG LLP

Palo Alto, California
May 25, 2001