

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-8
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

LECTEC CORPORATION
(Exact name of registrant as specified in its charter)

Minnesota 41-1301878
(State or other jurisdiction (I.R.S. Employer
of incorporation or organization) Identification No.)

10701 Red Circle Drive
Minnetonka, Minnesota 55343
(Address of Principal Executive Offices)

LECTEC CORPORATION EMPLOYEE STOCK PURCHASE PLAN
(full title of the plan)

Mr. Rodney A. Young Copy to:
Chief Executive Officer Timothy S. Hearn, Esq.
LecTec Corporation Dorsey & Whitney LLP
10701 Red Circle Drive Pillsbury Center South
Minnetonka, Minnesota 55343 220 South Sixth Street
(Name and address of agent for service) Minneapolis, Minnesota 55402-1498

(612) 933-2291 (612) 340-7802
(Telephone number, including area code, of agent for service)

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

CALCULATION OF REGISTRATION FEE

<TABLE>

<CAPTION>

| Title of each class of Securities to be registered | Amount to be registered(1) | Proposed Maximum Offering Price per Share (2) | Proposed Maximum Aggregate Offering Price (2) | Amount of Registration Fee (2) |
|--|-------------------------------|---|---|-----------------------------------|
| <S> | <C> | <C> | <C> | <C> |
| Common Stock (\$.01 par value) | 200,000 | \$2.00 | \$400,000.00 | \$112.00 |

</TABLE>

- (1) The number of shares being registered represents the number of shares of Common Stock that may be issued pursuant to the LecTec Corporation Employee Stock Purchase Plan (the "Plan").
- (2) Determined pursuant to Rule 457(c), based on the average of the high and low sale prices of the Common Stock as reported on the Nasdaq National Market System on February 11, 1999.

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

Item 3. Incorporation of Certain Documents by Reference

The following documents, which have been filed by LecTec Corporation (the "Company") with the Securities and Exchange Commission, are hereby incorporated by reference in this Registration Statement:

(a) The Annual Report on Form 10-K for the year ended June 30, 1998;

(b) The Quarterly Report on Form 10-Q for the quarters ended September 30, 1998 and December 31, 1998; and

(c) The description of the Common Stock contained in the Company's Registration Statement on Form 8-A filed on August 28, 1987, and any amendment or report updating such description filed subsequent to the date of such Registration Statement and prior to the termination of the offering described herein.

All documents filed by the Company pursuant to Section 13(a), 13(c), 14 and 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), subsequent to the date hereof and prior to the filing of a post-effective amendment which indicates that all securities offered hereby have been sold or which deregisters all securities then remaining unsold shall be deemed to be incorporated by reference in this Prospectus and to be a part hereof from the respective dates of filing of such documents.

Item 4. Description of Securities

Not applicable.

Item 5. Interests of Named Experts and Counsel

Not applicable.

Item 6. Indemnification of Directors and Officers

Section 302A.521, subd. 2, of the Minnesota Statutes requires the Company to indemnify a person made or threatened to be made a party to a proceeding by reason of the former or present official capacity of the person with respect to the Company, against judgments, penalties, fines, including, without limitation, excise taxes assessed against the person with respect to an employee benefit plan, settlements, and reasonable expenses, including attorneys' fees and disbursements, incurred by the person in connection with the proceeding with respect to the same acts or omissions if such person (1) has not been indemnified by another organization or employee benefit plan for the same judgments, penalties or fines; (2) acted in good faith; (3) received no improper personal benefit, and statutory procedure has been followed in the case of any conflict of interest by a director; (4) in the case of a criminal proceeding, had no reasonable cause to believe the conduct was unlawful; and (5) in the case of acts or omissions occurring in the person's performance in the official capacity of director or, for a person not a director, in the official capacity of officer, board committee member or employee, reasonably believed that the conduct was in the best interests of the Company, or, in the case of performance by a director, officer or employee of the Company involving service as a director, officer, partner, trustee, employee or agent of another organization or employee benefit plan, reasonably believed that the conduct was not opposed to the best interests of the Company. In addition, Section 302A.521, subd. 3, requires payment by the Company, upon written request, of reasonable expenses in advance of final disposition of the proceeding in certain instances. A decision as to required indemnification is made by a disinterested majority of the Board of

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Directors present at a meeting at which a disinterest quorum is present, or by a designated committee of the Board, by special legal counsel, by the shareholders, or by a court.

Item 7. Exemption from Registration Claimed

Not applicable.

Item 8. Exhibits

| Exhibit Number - - - - - | Description - - - - - |
|--------------------------------|---|
| 4 | LecTec Corporation Employee Stock Purchase Plan |
| 5 | Opinion of Dorsey & Whitney LLP |
| 23.1 | Consent of Grant Thornton LLP |
| 23.2 | Consent of Dorsey & Whitney LLP (included in Exhibit 5 to this Registration Statement) |
| 24 | Power of Attorney |

Item 9. Undertakings

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
Commission pursuant to Rule 424(b) under the Securities Act
of 1933 if, in the aggregate, the changes in volume and
price represent no more than a 20% 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 the registration statement.

Provided, however, that subparagraphs (1)(i) and (1)(ii) above do not apply if the registration statement is on Form S-3, Form S-8 or Form F-3, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in this Registration Statement.

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(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 therein, 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.

The undersigned registrant hereby undertakes that, for 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 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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 the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or other 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 Act and will be governed by the final adjudication of such issue.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Minnetonka, State of Minnesota, on February 18, 1999.

LECTEC CORPORATION

By /s/ Rodney A. Young

Rodney A. Young
Chief Executive Officer, President and Chairman

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on February 18, 1999.

| Name ---- | Title ----- | Date ---- |
|---|---|-------------------|
| /s/ Rodney A. Young - ----- Rodney A. Young | Chief Executive Officer, President and Chairman (Principal Executive Officer) | February 18, 1999 |
| /s/ Deborah L. Moore - ----- Deborah L. Moore | Chief Financial Officer (Principal Financial and Accounting Officer) | February 18, 1999 |
| * - ----- Lee M. Berlin | Director | February 18, 1999 |
| * | Director | February 18, 1999 |

Alan C. Hymes, M.D.

* Director February 18, 1999

Paul O. Johnson

* Director February 18, 1999

Bert J. McKasy

* Director February 18, 1999

Marilyn K. Speedie

* Director February 18, 1999

Donald C. Wegmiller

*By /s/ Rodney A. Young

Rodney A. Young, as Attorney-In-Fact

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EXHIBIT INDEX

| Exhibit Number | Description |
|----------------|--|
| ----- | ----- |
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LECTEC CORPORATION
EMPLOYEE STOCK PURCHASE PLAN

ARTICLE I. INTRODUCTION

SECTION 1.01 PURPOSE. The purpose of the LecTec Corporation (the "Company") Employee Stock Purchase Plan is to provide the employees of the Company and related corporations with an opportunity to share in the ownership of the Company by providing them a convenient means for regular and systematic purchases of the Company's Common Stock and, thus, to develop a stronger incentive to work for the continued success of the Company.

SECTION 1.02 RULES OF INTERPRETATION. It is intended that the Plan be an "employee stock purchase plan" as defined in Section 423(b) of the Internal Revenue Code of 1986, as amended (the "Code"), and Treasury Regulations promulgated thereunder, if approved by the Company's shareholders. Accordingly, the Plan will be interpreted and administered in a manner consistent therewith if so approved. All Participants in the Plan will have the same rights and privileges consistent with the provisions of the Plan.

SECTION 1.03 DEFINITIONS. For purposes of the Plan, the following terms will have the meanings set forth below:

(a) "ACCELERATION DATE" means either an Acquisition Date or a Transaction Date.

(b) "ACQUISITION DATE" means (i) the date of public announcement of the acquisition of "beneficial ownership" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934 (the "Exchange Act") or any successor rule thereto) of more than fifty percent (50%) of the outstanding voting stock of the Company by any "person" (as defined in Section 13(d) of the Exchange Act) other than the Company, by means of a tender offer, exchange offer or otherwise; and (ii) the date five (5) business days after the date of public announcement of the acquisition of beneficial ownership (as so defined) of more than twenty-five percent (25%) but not more than fifty (50%) of the outstanding voting stock of the Company by any person (as so defined) other than the Company, by means of a tender offer, exchange offer or otherwise if, during such five (5) business day period, the Board or the Committee has not, by resolution duly adopted, elected that such acquisition not give rise to an Acquisition Date. In any such resolution, the Board or Committee may elect that any continued acquisition or acquisitions by the same person (as so defined) which would otherwise trigger an Acquisition Date under clause (ii) above shall also not give rise to an Acquisition Date.

(c) "AFFILIATE" means any parent or subsidiary corporation of the Company, as defined in Sections 425(e) and 425(f) of the Code.

(d) "BOARD" means the Board of Directors of the Company.

(e) "COMMITTEE" means the committee appointed under Section 10.01.

(f) "COMPANY" means LecTec Corporation, a Minnesota corporation, and its successors by merger or consolidation as contemplated by Article XI herein.

(g) "CURRENT COMPENSATION" means the gross base cash compensation (in effect at the beginning of a Purchase Period) paid by the Company or a Participating Affiliate to a Participant in accordance with the terms of employment, but excluding all bonus payments, commission payments, overtime, expense allowances and compensation payable in a form other than cash.

(h) "EMPLOYER" means the Company or a Participating Affiliate, as the case may be.

(i) "FAIR MARKET VALUE" as of a given date means such value of the

Stock which is equal to (i) the last sale price of the Stock as reported on the Nasdaq National Market System on such date, if the Stock is then quoted on the Nasdaq National Market System; (ii) the average of the closing representative bid and asked prices of the Stock as reported on the National Association of Securities Dealers Automated Quotation System ("Nasdaq") on such date, if the Stock is then quoted on Nasdaq; or (iii) the closing price of the Stock on such date on a national securities exchange, if the Stock is then quoted on a national securities exchange. If on a given date the Stock is not traded on an established securities market, the Committee shall make a good faith attempt to satisfy the requirements of this Section 1.03(i) and in connection therewith shall take such action as it deems necessary or advisable.

(j) "PARTICIPANT" means a Regular Full-Time Employee who is eligible to participate in the Plan under Section 2.01 and who has elected to participate in the Plan.

(k) "PARTICIPATING AFFILIATE" means an Affiliate which has been designated by the Committee in advance of the Purchase Period in question as a corporation whose eligible Regular Full-Time Employees may participate in the Plan.

(l) "PLAN" means the LecTec Corporation Employee Stock Purchase Plan, the provisions of which are set forth herein.

(m) "PURCHASE PERIOD" means the approximate six (6) month periods beginning on the first business day in December and ending on the last business day in May and beginning on the first business day of June and ending on the last business day in November of each year; provided however, the then current Purchase Period will end upon the occurrence of an Acceleration Date.

(n) "REGULAR FULL-TIME EMPLOYEE" means an employee of the Company or a Participating Affiliate as of the first day of a Purchase Period, including an officer or director who is also an employee, except an employee whose customary employment is less than twenty (20) hours per week.

(o) "STOCK" means the Company's Common Stock, \$.01 par value, as such stock may be adjusted for changes in the stock or the Company as contemplated by Article XI herein.

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(p) "STOCK PURCHASE ACCOUNT" means the account maintained in the books and records of the Company recording the amount received from each Participant through payroll deductions made under the Plan.

(q) "TRANSACTION DATE" means the date of shareholder approval of (i) any consolidation or merger of the Company in which the Company is not the continuing or surviving corporation or pursuant to which shares of Company stock would be converted into cash, securities or other property, other than a merger of the Company in which shareholders immediately prior to the merger have the same proportionate ownership of stock of the surviving corporation immediately after the merger; (ii) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all, of the assets of the Company; or (iii) any plan of liquidation or dissolution of the Company.

ARTICLE II. ELIGIBILITY AND PARTICIPATION

SECTION 2.01 ELIGIBLE EMPLOYEES. All Regular Full-Time Employees shall be eligible to participate in the Plan beginning on the first day of the first full Purchase Period to commence after such person becomes a Regular Full-Time Employee. Subject to the provisions of Article VI, each such employee will continue to be eligible to participate in the Plan so long as he or she remains a Regular Full-Time Employee.

SECTION 2.02 ELECTION TO PARTICIPATE. An eligible Regular Full-Time Employee may elect to participate in the Plan for a given Purchase Period by filing with his or her Employer in advance of that Purchase Period a form provided by such Employer for such purpose (which authorizes regular payroll deductions from Current Compensation beginning with the first payday in that

Purchase Period and continuing until the employee withdraws from the Plan or ceases to be eligible to participate in the Plan).

SECTION 2.03 LIMITS ON STOCK PURCHASE. No employee shall be granted any right to purchase hereunder if such employee, immediately after a right to purchase is granted, would own, directly or indirectly, within the meaning of Section 423(b)(3) and Section 425(d) of the Code stock possessing five percent 5% or more of the total combined voting power or value of all the then classes of the capital stock of the Company or of all Affiliates.

SECTION 2.04 VOLUNTARY PARTICIPATION. Participation in the Plan on the part of the Participant is voluntary and such participation is not a condition of employment nor does participation in the Plan entitle a Participant to be retained as an employee.

ARTICLE III. PAYROLL DEDUCTIONS AND STOCK PURCHASE ACCOUNT

SECTION 3.01 DEDUCTION FROM PAY. The form described in Section 2.02 will permit a Participant to elect payroll deductions of any whole percentage from one percent (1%) through fifteen percent (15%) of Current Compensation, as defined, for each pay period. The Participant may

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cease making payroll deductions at any time, as provided in Section 6.01, by completing the appropriate parts of the form described in Section 2.02. The Participant may not vary (increase or decrease) the amount or percentage of payroll deductions during a Purchase Period.

SECTION 3.02 CREDIT TO ACCOUNT. Payroll deductions will be credited to the Participant's Stock Purchase Account on each payday.

SECTION 3.03 INTEREST. No interest will be paid upon payroll deductions or on any amount credited to, or on deposit in, a Participant's Stock Purchase Account.

SECTION 3.04 NATURE OF ACCOUNT. The Stock Purchase Account is established solely for accounting purposes, and all amounts credited to the Stock Purchase Account will remain part of the general assets of the Company or the Participating Affiliate (as the case may be).

SECTION 3.05 NO ADDITIONAL CONTRIBUTIONS. A Participant may not make any payment into the Stock Purchase Account other than the payroll deductions made pursuant to the Plan.

ARTICLE IV. RIGHT TO PURCHASE SHARES

SECTION 4.01 NUMBER OF SHARES. Each Participant will have the right to purchase on the last business day of the Purchase Period all, but not less than all, of the largest number of whole shares of Stock that can be purchased at the price specified in Section 4.02 with the entire credit balance in the Participant's Stock Purchase Account, subject to the limitations that (a) no more than Five Thousand (5,000) shares of Common Stock may be purchased under the Plan by any one Participant for a given Purchase Period, and (b) in accordance with Section 423(b)(8) of the Code, no more than Twenty-Five Thousand Dollars (\$25,000) in Fair Market Value (determined at the beginning of each Purchase Period) of Stock and other stock may be purchased under the Plan and all other employee stock purchase plans (if any) of the Company and the Affiliates by any one Participant for each calendar year. If the purchases for all Participants would otherwise cause the aggregate number of shares of Stock to be sold under the Plan to exceed the number specified in Section 10.03, however, each Participant shall be allocated a pro rata portion of the Stock to be sold.

SECTION 4.02 PURCHASE PRICE. The purchase price for any Purchase Period will be the lesser of (a) Eighty-five percent (85%) of the Fair Market Value of the Stock on the first business day of that Purchase Period or (b) Eighty-five percent (85%) of the Fair Market Value of the Stock on the last business day of that Purchase Period, in each case rounded up to the next higher full cent.

ARTICLE V. EXERCISE OF RIGHT

SECTION 5.01 PURCHASE OF STOCK. On the last business day of a Purchase Period, the entire credit balance in each Participant's Stock Purchase Account will be used to purchase the largest number of whole shares of Stock purchasable with such amount (subject to the limitations of

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Section 4.01) unless the Participant has filed with the Committee in advance of that date a form provided by his or her Employer (which elects to receive the entire credit balance in cash).

SECTION 5.02 CASH DISTRIBUTIONS. Any amount remaining in a Participant's Stock Purchase Account after the last business day of a Purchase Period will be paid to the Participant in cash within thirty (30) days after the end of that Purchase Period; PROVIDED, HOWEVER, that if the amount remaining in the Participant's Stock Purchase Account at the end of a Purchase Period results from the fact that such amount was not sufficient to purchase a whole share of Stock, such amount will be transferred to the Participant's Stock Purchase Account for the immediately succeeding Purchase Period.

SECTION 5.03 NOTICE OF ACCELERATION DATE. The Company shall use its best efforts to notify each Participant in writing at least ten (10) days prior to any Acceleration Date that the then current Purchase Period will end on such Acceleration Date.

ARTICLE VI. WITHDRAWAL FROM PLAN

SECTION 6.01 VOLUNTARY WITHDRAWAL. A Participant may, at any time, withdraw from the Plan and cease making payroll deductions by filing with such Participant's Employer a form provided for this purpose. In such event, the entire credit balance in the Participant's Stock Purchase Account will be paid to the Participant in cash within thirty (30) days. A Participant who withdraws from the Plan will not be eligible to reenter the Plan until the beginning of the next Purchase Period following the date of such withdrawal.

SECTION 6.02 DEATH. Participation in the Plan will cease on the date of the Participant's death, and the entire credit balance in the Stock Purchase Account will be paid to the Participant's estate in cash within thirty (30) days. Each Participant, however, may designate one or more beneficiaries who, upon death, are to receive the amount that otherwise would have been paid to the Participant's estate and may change or revoke any such designation from time to time. No such designation, change or revocation will be effective unless made by the Participant in writing and filed with the Participant's Employer during the Participant's lifetime. Unless the Participant has otherwise specified in the beneficiary designation, the beneficiary or beneficiaries so designated will become fixed as of death so that, if a beneficiary survives the Participant but dies before the receipt of the payment due such beneficiary, the payment will be made to such beneficiary's estate.

SECTION 6.03 TERMINATION OF EMPLOYMENT. Participation in the Plan also will cease on the date the Participant ceases to be a Regular Full-Time Employee for any reason other than death. In such event, the entire credit balance in the Participant's Stock Purchase Account will be paid to the Participant in cash within thirty (30) days. For purposes of this Section, a leave of absence which has been approved by the Committee will not be deemed a termination of employment as a Regular Full-Time Employee.

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ARTICLE VII. NONTRANSFERABILITY

SECTION 7.01 NONTRANSFERABLE RIGHT TO PURCHASE. The right to purchase Stock hereunder may not be assigned, transferred, pledged or hypothecated (whether by operation of law or otherwise) and will not be subject to execution,

attachment or similar process. Any attempted assignment, transfer, pledge, hypothecation or other disposition or levy of attachment or similar process upon the right to purchase will be null and void and without effect.

SECTION 7.02 NONTRANSFERABLE ACCOUNT. The amounts credited to a Stock Purchase Account may not be assigned, transferred, pledged or hypothecated in any way, and any attempted assignment, transfer, pledge, hypothecation or other disposition of such amounts will be null and void and without effect.

ARTICLE VIII. STOCK CERTIFICATES

SECTION 8.01 DELIVERY. Within thirty (30) days after the last day of each Purchase Period, the Company will cause to be delivered to the Participant a certificate representing the Stock purchased on the last business day of such Purchase Period.

SECTION 8.02 SECURITIES LAWS. The Company shall not be required to issue or deliver any certificate representing Stock prior to registration under the Securities Act of 1933, as amended, or registration or qualification under any state law if such registration is required. The Company will use its best efforts to accomplish such registration (if and to the extent required) not later than a reasonable time following the Purchase Period, and delivery of certificates may be deferred until such registration is accomplished.

SECTION 8.03 COMPLETION OF PURCHASE. A Participant will have no interest in the Stock purchased until a certificate representing the same is issued.

SECTION 8.04 FORM OF OWNERSHIP. The certificates representing Stock issued under the Plan will be registered in the name of the Participant or jointly in the name of the Participant and another person, as the Participant may direct on a form provided by the Participant's Employer.

ARTICLE IX. EFFECTIVE DATE AND AMENDMENT OR TERMINATION OF PLAN

SECTION 9.01 EFFECTIVE DATE. The Plan will become effective on November 19, 1998, but only if the Plan is approved by the Company's shareholders at their 1998 annual meeting.

SECTION 9.02 POWERS OF BOARD. The Board may at any time amend or terminate the Plan, except that no amendment will be made without prior approval of the shareholders which would (a) authorize an increase in the number of shares of Stock which may be purchased under the Plan, except as provided in Section 11.01, (b) permit the issuance of Stock before payment therefor in full,

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(c) increase the rate of payroll deductions above fifteen percent (15%) of Current Compensation, (d) reduce the price per share at which the Stock may be purchased, or (e) absent such shareholder approval, cause Rule 16b-3 to become unavailable with respect to the Plan.

SECTION 9.03 AUTOMATIC TERMINATION. The Plan will terminate automatically on November 19, 2003, unless extended by the Board. The Board may by resolution extend the Plan for one or more additional periods of five years each.

ARTICLE X. ADMINISTRATION

SECTION 10.01 APPOINTMENT OF COMMITTEE. The Plan shall be administered by a committee (the "Committee") established by the Board and meeting the requirements of Rule 16b-3 as in effect from time to time.

SECTION 10.02 POWERS OF COMMITTEE. Subject to the provisions of the Plan, the Committee will have full authority to administer the Plan, including authority to interpret and construe any provision of the Plan, to establish deadlines by which the various administrative forms must be received in order to be effective, and to adopt such other rules and regulations for administering the Plan as it may deem appropriate. Decisions of the Committee will be final

and binding on all parties who have an interest in the Plan.

SECTION 10.03 STOCK TO BE SOLD. The Stock to be issued and sold under the Plan may be treasury Stock or authorized but unissued Stock, or the Company may go into the market and purchase Stock for sale under the Plan. Except as provided in Section 11.01, the aggregate number of shares of Stock to be sold under the Plan will not exceed Two Hundred Thousand (200,000) shares.

SECTION 10.04 NOTICES. Notices to the Committee should be addressed as follows:

LecTec Corporation
Attention: Corporate Secretary
10701 Red Circle Drive
Minnetonka, MN 55343

ARTICLE XI. ADJUSTMENT FOR CHANGES IN STOCK OR COMPANY

SECTION 11.01 STOCK DIVIDEND OR RECLASSIFICATION. If the outstanding shares of Stock are increased, decreased, changed into or exchanged for a different number or kind of securities of the Company, or shares of a different par value or without par value, through reorganization, recapitalization, reclassification, stock dividend, stock split, amendment to the Company's Articles of Incorporation, reverse stock split or otherwise, an appropriate adjustment shall be made in the maximum numbers and/or kind of securities to be sold under this Plan with a corresponding adjustment in the purchase price to be paid therefor.

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SECTION 11.02 MERGER OR CONSOLIDATION. If the Company is merged into or consolidated with one or more corporations during the term of the Plan, appropriate adjustments will be made to give effect thereto on an equitable basis in terms of issuance of shares of the corporation surviving the merger or of the consolidated corporation, as the case may be.

ARTICLE XII. APPLICABLE LAW

Rights to purchase Stock granted under this Plan shall be construed and shall take effect in accordance with the laws of the State of Minnesota.

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[LETTERHEAD OF DORSEY & WHITNEY LLP]

February 18, 1999

LecTec Corporation
10701 Red Circle Drive
Minnetonka, Minnesota 55343

Ladies and Gentlemen:

We have acted as counsel to LecTec Corporation, a Minnesota corporation (the "Company"), in connection with a Registration Statement on Form S-8 (the "Registration Statement") relating to the sale by the Company from time to time of up to 200,000 shares of Common Stock, \$.01 par value per share, of the Company (the "Shares"), issuable pursuant to the Company's Employee Stock Purchase Plan (the "Plan").

We have examined such documents and have reviewed such questions of law as we have considered necessary and appropriate for the purposes of the opinions set forth below.

In rendering our opinions, we have assumed the authenticity of all documents submitted to us as originals, the genuineness of all signatures and the conformity to authentic originals of all documents submitted to us as copies. We have also assumed the legal capacity for all purposes relevant hereto of all natural persons and, with respect to all parties to agreements or instruments relevant hereto other than the Company, that such parties had the requisite power and authority (corporate or otherwise) to execute, deliver and perform such agreements or instruments, that such agreements or instruments have been duly authorized by all requisite action (corporate or otherwise), executed and delivered by such parties and that such agreements or instruments are the valid, binding and enforceable obligations of such parties. As to questions of fact material to our opinions, we have relied upon certificates of officers of the Company and of public officials.

Based on the foregoing, we are of the opinion that the Shares have been duly authorized and, upon issuance, delivery and payment therefor in accordance with the terms of the Plan, will be validly issued, fully paid and nonassessable.

Our opinions expressed above are limited to the laws of the State of Minnesota.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement.

Very truly yours,

/s/ Dorsey & Whitney LLP

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CONSENT OF CERTIFIED INDEPENDENT PUBLIC ACCOUNTANTS

We have issued our report dated August 12, 1998 accompanying the consolidated financial statements of LecTec Corporation and Subsidiaries included in the Annual Report on Form 10-K for the year ended June 30, 1998 which is incorporated by reference in this Registration Statement. We consent to the incorporation by reference in the Registration Statement of the aforementioned report.

/s/ Grant Thornton LLP

Minneapolis, Minnesota
February 11, 1999

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Rodney A. Young and Deborah L. Moore, and each of them, his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities (including his or her capacity as a director and/or officer of LecTec Corporation), to sign a registration statement, and any or all amendments (including post-effective amendments) thereto, on Form S-8 for the sale of shares of LecTec Corporation Common Stock pursuant to the LecTec Corporation Employee Stock Purchase Plan, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their or his substitutes, may lawfully do or cause to be done by virtue hereof.

| Name ----- | Title ----- | Date ----- |
|---|---|-------------------|
| /s/ Rodney A. Young ----- Rodney A. Young | Chief Executive Officer, President and Chairman (Principal Executive Officer) | February 18, 1999 |
| /s/ Deborah L. Moore ----- Deborah L. Moore | Chief Financial Officer (Principal Financial and Accounting Officer) | February 18, 1999 |
| * ----- Lee M. Berlin | Director | February 18, 1999 |
| * ----- Alan C. Hymes, M.D. | Director | February 18, 1999 |
| * ----- Paul O. Johnson | Director | February 18, 1999 |
| * ----- Bert J. McKasy | Director | February 18, 1999 |
| * ----- Marilyn K. Speedie | Director | February 18, 1999 |
| * ----- Donald C. Wegmiller | Director | February 18, 1999 |