

THE COURT OF CHANCERY OF THE STATE OF DELAWARE

SERGIO M. OLIVER, RONALD OLIVER, )  
EMILY OLIVER, GREGORY O. GRUSE, )  
ANN O. GRUSE, WILLIAM M. )  
STERRETT, BLACKSBURG TRANSFER )  
& STORAGE, INC., DAVID MCDANIEL, )  
WALLACE L. HUFF, and DANIEL R. )  
CANADA, )

C.A. No. 16570-VCN

Plaintiffs, )

v. )

BOSTON UNIVERSITY, JOHN R. SILBER, )  
LEON C. HIRSCH, TURI JOSEFESSEN, REED )  
R. PRIOR, GERALD S.J. CASSIDY, )  
KENNETH G. CONDON, NORMAN A. )  
JACOBS, JEAN C. NICHOLS, SERAGEN, INC., )  
SERAGEN TECHNOLOGY, INC., and )  
MARATHON BIOPHARMACEUTICALS LLC, )

Defendants. )

**NOTICE OF PENDENCY OF CLASS ACTION,  
PROPOSED SETTLEMENT OF CLASS ACTION,  
SETTLEMENT HEARING AND RIGHT TO APPEAR**

TO ALL HOLDERS AND BENEFICIAL OWNERS OF SHARES OF COMMON STOCK OF SERAGEN, INC. ("SERAGEN") ON NOVEMBER 4, 1997 AND ON AUGUST 12, 1998, INCLUDING THE LEGAL REPRESENTATIVES, HEIRS, SUCCESSORS-IN-INTEREST, TRANSFEREES OR ASSIGNS OF ALL SUCH FOREGOING HOLDERS, IMMEDIATE AND REMOTE, EXCLUDING THE DEFENDANTS AND THEIR AFFILIATES (THE "CLASS").

***PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY BE AFFECTED BY THE LEGAL PROCEEDINGS IN LITIGATION. IF THE COURT APPROVES THE PROPOSED SETTLEMENT AND YOU ARE A MEMBER OF THE CLASS DESCRIBED IN THIS NOTICE, YOU MAY BE ENTITLED TO RECEIVE PAYMENTS PURSUANT TO THE PROPOSED SETTLEMENT IN THIS ACTION AND YOU MAY BE FOREVER BARRED FROM CONTESTING THE FAIRNESS, REASONABLENESS AND ADEQUACY OF THE PROPOSED SETTLEMENT AND FROM OTHERWISE PURSUING THE SETTLED CLAIMS (AS DEFINED HEREIN). IF YOU HELD SERAGEN STOCK FOR THE BENEFIT OF ANOTHER, PLEASE PROMPTLY TRANSMIT THIS DOCUMENT TO SUCH BENEFICIAL OWNER.***

**PURPOSE OF THIS NOTICE**

The purpose of this Notice is to inform you (i) of the existence of the above-captioned action (the "Action"), (ii) of the Court's prior certification of the Action as a class action pursuant to Court of Chancery Rules 23(a) and (b)(1), and the Settling Parties' stipulation with respect to class certification; (iii) of the proposed settlement of the Action (the "Settlement") with the remaining defendants, Boston University, John Silber, Kenneth Condon and Gerald S.J. Cassidy (the "Settling Defendants") -- as provided for in the Proposed Stipulation and Agreement of Compromise, Settlement and Release (the "Stipulation") dated December 21 2009; and (iv) of your right to appear and participate in a hearing to be held on March 15, 2010 at 10:00 a.m., before the Court in the New Castle County Courthouse, 500 North King Street, Wilmington, Delaware 19801 (the "Settlement Hearing") to determine whether the Court should (i) approve the Settlement as fair, reasonable, adequate and in the best interests of the Class; (ii) consider a request for an award of attorneys' fees and expenses to Class Counsel (as defined below) to be paid out of the Settlement Fund (as defined below); (iii) consider a request for an award to representative Plaintiff Sergio Oliver for the valuable time and contribution to this litigation; and (iv) consider a request for an award to recover expenses incurred by the representative Plaintiffs (the "Representative Plaintiffs") to be paid out of the Settlement Fund.

This Notice describes the rights you may have in the Action and pursuant to the Stipulation and what steps you may take, but are not required to take, in relation to the Settlement.

If the Court approves the Settlement, the Settling Parties will ask the Court at the Settlement Hearing to enter an Order and Final Judgment dismissing all claims against the Settling Defendants with prejudice in accordance with the terms of the Stipulation and terminating this Action finally.

### **CERTIFICATION OF CLASS**

The purpose of the Notice is, in part, to advise you of the Court's prior ruling on class certification. Previous notice of this ruling has been provided to the Class. Unless the Court otherwise directs, no one shall be entitled to object to the Court's certification of the Class or the adequacy of the representation of the Class by the Representative Plaintiffs and their counsel, or be heard on those issues, except by complying with the provisions of this Notice as described below.

As set forth more fully below, in an Order dated February 28, 2002, as later clarified by Order dated March 27, 2002 (the "Class Certification Orders"), the Court determined that certification as a class action was appropriate under Court of Chancery Rules 23(a) and (b)(1). In the Class Certification Orders, the Court certified a class of persons (other than the Defendants and their affiliates) holding Seragen Common Stock on November 4, 1997 (the date of the proxy solicitation for shareholder approval and ratification of the sale of the Marathon facilities to Boston University) and on August 12, 1998 (the effective date of the consummation of the merger between Seragen and Ligand Pharmaceuticals, Incorporated (the "Ligand Merger" or the "Merger")) (collectively, the "Class Certification Dates").

**THE FOLLOWING RECITATION DOES NOT CONSTITUTE A FINDING OF THE COURT. IT IS BASED ON STATEMENTS OF THE PARTIES AND SHOULD NOT BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF THE COURT REGARDING THE MERITS OF ANY OF THE CLAIMS OR DEFENSES RAISED BY ANY OF THE PARTIES.**

### **SUMMARY DISCLOSURE OF SETTLEMENT TERMS**

**Class Recovery:** The remaining defendants in this class action, the Settling Defendants, are depositing a fund of \$4.375 million (the "Settlement Fund") to settle all claims against them in this action, including both the Class claims and the claims of the individual Plaintiffs that were not certified as part of the Class claims by the Court. The Plaintiffs holding individual claims have agreed, however, to allocate the entire Settlement Fund to the Class pursuant to the terms of the Stipulation. The Settlement Fund will be deposited into an interest bearing account during the time period necessary to administer the settlement. A portion of the \$4.375 million fund will be applied in payment of Court-approved attorneys' fees, expenses, payment to Representative Plaintiff Sergio M. Oliver as approved by a prior Court ruling, and costs to administer the Settlement. The net amount remaining after such charges, plus the accrued interest on the deposited funds (the "Net Settlement Fund"), will be allocated to the Class members who timely file claims against the Net Settlement Fund as follows: members of the Class who were holders and beneficial owners of shares of common stock of Seragen on August 12, 1998 (the "Merger Date Holders") will be allocated one hundred percent (100%) of the Net Settlement Fund (the "Merger Fund"). No portion of the Settlement Fund will be allocated to the holders on the date of the Marathon Proxy, November 4, 1997, ("Marathon Proxy Date Holders"). As of the date of the execution of the Settlement, all claims in the action attacking the Marathon Proxy had been previously resolved in favor of the Defendants and against Plaintiffs. The Court's prior rulings after trial had found damages in Plaintiffs' favor in connection with the Merger Date only. The allocation between the Marathon Proxy Date Holders and the Merger Date Holders is based on those rulings dismissing all claims that would have been for the benefit of Marathon Proxy Date Holders and Class Counsel's estimates of the relative monetary values and risks associated with the claims of the holders on those dates at the time of the Settlement. The allocated portions of the Net Settlement Fund will be paid to members of the Class who timely file claims against the Net Settlement Fund. For purposes of a timely claim, any person who made a valid and accepted claim in the prior Partial Settlement (as defined below) as a Merger Date Holder will also be deemed to have made a valid claim to this Settlement without the need to provide any more information, except to the extent of any updated address or contact information to ensure receipt of such person's right to payment. **FAILURE TO FILE A CLAIM CONFIRMATION OR A PROOF OF CLAIM, EVEN IF YOU HAD A CLAIM APPROVED IN THE PRIOR SETTLEMENT, WAIVES ANY RIGHT TO PARTICIPATE IN THE SETTLEMENT FUND.** Any person to whom such funds cannot be delivered may lose their right to have their claim deemed accepted.

The Class in this case and particularly for purposes of this Settlement is defined as all holders and beneficial owners of shares of common stock of Seragen on November 4, 1997 and on August 12, 1998, excluding the defendants and their affiliates (as defined below). All members of the Class who hereafter file timely claims will have those claims evaluated on the basis of their pro rata holdings of Seragen common stock on the Merger Date, August 12, 1998. All the shares of timely-filed claims submitted by Merger Date Holders who are valid members of the Class will be totaled, and the total divided by each respective claimant's shares to determine that claimant's proportionate share of the Merger Fund.

**It is impossible to determine at this time the actual amount of recovery per share, because that will depend on the number of claims filed (generally many claimants do not file proofs of claim, which increases the net recovery per share for those who do file claims) and on other variables.**

**Potential Outcome Of The Action And The Different Claims Held By The Merger Date Holders And The Marathon Proxy Date Holders:**

In the trial against the Settling Defendants, Plaintiffs had prevailed on liability as to certain claims and the Court issued an opinion with respect to damages. The parties continued, through the date of the settlement, however, to dispute various aspects of the Court's ruling and the damages award inherent therein. Those damages were awarded exclusively to members of the Class who were Merger Date Holders.

With respect to the Marathon Proxy Date Holders, all claims had been dismissed. Plaintiffs and Class Counsel had determined that the potential recovery by the Marathon Proxy Date Holders as of the date of the Settlement was, consistent with the Court's ruling, nothing or an amount that was so insignificant in light of the costs and burdens of achieving any such award as to not warrant further pursuit of them. As of the date of the prior partial settlement in the Action with Defendants Reed Prior, Norman Jacobs and Jean Nichols ("Partial Settlement") for which the Marathon Proxy Date Holders were allocated ten percent of the settlement fund, all claims of the Marathon Proxy Date Holders had been dismissed by the Court except for claims that defendants had failed to make certain proper disclosures. Although the disclosure claims were still pending on the date of the prior Partial Settlement, the Court later granted judgment in favor of the Settling Defendants on the Settling Defendants' oral motion for a directed verdict immediately following the February 2005 trial on the merits. The claims held by Marathon Proxy Date Holders were thus extinguished, subject only to a right to appeal. Upon approval of the Settlement, any appeal rights still held by Marathon Proxy Date Holders will be released.

**Statement of Attorneys' Fees, Class Representative Fee and Expenses Sought:** As set forth above, all Court-approved attorneys' fees, expenses, class representative fees and costs to administer the settlement are to be paid out of the Settlement Fund before calculation of the Net Settlement Fund available for distribution to the Class. Class Counsel intends to apply to the Court for: (1) an award of attorneys' fees equal \$1,674,289, which is the amount (including the Court awarded interest through October 31, 2009) they calculate was awarded to them by the Court after trial in the Court's post-trial letter opinion; (2) reimbursement of unpaid expenses incurred through the date of the Settlement, in an aggregate amount of expenses not to exceed \$125,000; (3) an amount equal to \$40,000 previously awarded by the Court in its post-trial letter opinion to lead plaintiff Sergio Oliver for his contribution to the litigation; (4) reimbursement of expenses incurred by the class representatives not to exceed \$10,000; (5) an amount to pay the costs of administration of the class Settlement, including all costs incurred by the Claims Administrator and all administration fees to be paid to the Claims Administrator.

**Identification of Lawyers' Representatives:**

Persons with questions may contact:

Michael A. Weidinger  
Pinckney, Harris & Weidinger, LLC  
1220 N. Market Street, Suite 950  
Wilmington, DE 19801  
(302) 504-1528

- and -

Thomas G. Griffin  
Walker Wilcox Matousek LLP  
225 West Washington Street, Suite 2400  
Chicago, IL 60606  
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***Counsel for Plaintiffs***

**Reasons For Settlement:** As discussed more fully below, this Settlement represents a substantial recovery for the Class and provides an opportunity for the Class claimants to recover more, on a per share basis, than that to which they would otherwise be entitled in the Action in light of the Court's various rulings after trial. The Settlement also avoids the risk that the Class would not prevail on some or all of their claims against the Settling Defendants in an appeal and the risk that the judgment to be entered against the Settling Defendants could be reversed. Moreover, in addition to certainty by ending litigation that has been pending for many years, it provides finality without the need to incur further risk associated with any potential remand after an appeal. The Settlement thus ensures the benefits achieved to date in the litigation will be maintained by the Class and it also provides the opportunity, on a per share basis, for Class claimants to do better than they otherwise would have under the Court's post-trial rulings.

**Settlement Hearing:** A hearing will be held on March 15, 2010 at 10:00 a.m., before the Court in the New Castle County Courthouse, 500 North King Street, Wilmington, Delaware 19801 (the "Settlement Hearing") to determine whether an order should be entered (i) finally approving the proposed Settlement of the Class claims asserted by Plaintiffs in this action against the Settling Defendants on the terms set forth in the Stipulation; (ii) dismissing the claims against the Settling Defendants with prejudice; (iii) awarding attorneys' fees and reimbursement of expenses to Class Counsel; (iv) awarding recovery of out-of-pocket expenses to the Representative Plaintiffs; and (v) awarding compensation to lead plaintiff Sergio Oliver for his contribution to the litigation.

## THE CLASS

This Action and the proposed Settlement affect the rights of members of the Class as defined by the Court in its Class Certification Orders and by the Stipulation of the Settling Parties, as follows: all holders and beneficial owners of shares of common stock of Seragen on November 4, 1997 (the date of the proxy solicitation for shareholder approval and ratification of the sale of the Marathon facilities to Boston University) and on August 12, 1998 (the effective date of the consummation of the merger between Seragen and Ligand Pharmaceuticals, Incorporated), excluding the defendants and their affiliates (defined below).

Excluded from the Class are the Defendants and their affiliates, defined by the Settling Parties (utilizing as a guide definitions and case law promulgated under Rule 12b-2 of the Securities Act of 1933) to include all the past and present Defendants in the action, persons serving as trustees, officers and directors of such past and present Defendants, members of the past and present Defendants' immediate families, any entity in which any past or present Defendant has a controlling interest, any entity which exercised substantial control over any past or present Defendant (including without limitation Eli Lilly and Company, which was a party to the Stockholder Voting Agreement between the "Majority Stockholders" in the Merger transaction), and any past or present Defendants' legal representatives, heirs, successors-in-interest, transferees or assigns.

The named Plaintiffs in the Action have been designated as class representatives with their respective counsel of record as class counsel ("Class Counsel").

Neither the Class Certification Orders certifying the Class nor the sending of this Notice should be construed as any indication of the Court's view as to the merits of any claims, defenses or positions asserted by any party to the Action.

### **NATURE OF THE ACTION, PROCEDURAL HISTORY, AND TERMS OF THE PROPOSED SETTLEMENT**

#### **Nature Of The Action and Procedural History**

There is now pending a class action lawsuit in the Court of Chancery of the State of Delaware in and for New Castle County (the "Court") captioned Sergio M. Oliver, et al. v. Boston University, et al., Civil Action No. 16570 (the "Action"), brought on behalf of the individual named Plaintiffs and on behalf of the common shareholders of Seragen.

The Second Amended Complaint in the Action alleged breaches of fiduciary duty by Boston University ("BU" or the "University"), John R. Silber, Gerald S. J. Cassidy, Kenneth G. Condon, Reed R. Prior, Norman A. Jacobs, Jean C. Nichols, Seragen, Seragen Technology, Inc. ("STI"), Ligand Pharmaceuticals Incorporation ("Ligand"), Knight Acquisition Corp. ("Knight") in approving the Merger between Ligand and Seragen on August 12, 1998. Plaintiffs' Complaint alleged that Leon C. Hirsch and Turi Josefsen and Marathon Biopharmaceuticals, LLC ("Marathon") committed and aided and abetted these breaches of duty. Plaintiffs also asserted claims of fraud, negligent misrepresentation and a request for a constructive trust. Additionally, Plaintiffs challenged four Pre-Merger transactions: 1) the restructuring of certain loans into preferred equity holdings (the "Series B Transaction"); 2) the private placement of preferred shares with Seragen's largest shareholder, BU (the "Series C Transaction"); 3) the sale of Seragen's operating facilities to BU (the "Marathon Transaction"); and 4) the granting of an option to license certain technology to U.S. Surgical Corporation (the "USSC Transaction") (collectively, the "Four Pre-Merger Transactions").

The Action challenged the Four Pre-Merger Transactions and the Merger alleging, *inter alia*, that the defendants breached their fiduciary duties of loyalty, care and disclosure to the common shareholders and committed fraud and negligent misrepresentation resulting in inadequate and unfair consideration to be paid to the common shareholders in violation of Delaware law.

The defendants were comprised of two distinct groups represented by separate counsel. Reed R. Prior, Norman A. Jacobs, Jean C. Nichols, Seragen, STI, Ligand and Knight were represented by the law firms of Paul, Hastings, Janofsky & Walker LLP and Potter Anderson & Corroon LLP. Claims against these defendants had been dismissed by the Court or settled and released in connection with the prior Partial Settlement. John R. Silber, Gerald S.J. Cassidy, Kenneth G. Condon, Leon C. Hirsch, Turi Josefsen, BU and Marathon (collectively referred to as the "BU Defendants") are represented by the law firms of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. and Morris, Nichols, Arsht & Tunnell.

All of the defendants denied the material allegations of the complaint and any wrongdoing or liability whatsoever in connection with or arising out of the Merger, or the Four Pre-Merger Transactions.

On July 18, 2000, the Delaware Court of Chancery dismissed several of the counts in the Complaint, including the duty of care, fraud and negligent misrepresentation claims. The Court also dismissed all causes of action against Ligand, Knight, Seragen and STI. In addition, the Court dismissed the fiduciary duty claims against Marathon, Mr. Hirsch and Ms. Josefsen.

On or about February 5, 2001, Plaintiffs moved the Court for class certification of those claims purportedly arising from the Merger and the Four Pre-Merger Transactions which culminated in the Merger. Plaintiffs sought to certify a class period of July 1, 1996 (the date of the first complained-of Pre-Merger transaction) through August 12, 1998 (the date of the Merger). By Order dated February 28, 2002, as later clarified by Order dated March 27, 2002, the Court granted Plaintiffs' motion for class certification, but only as to the class of persons (other than the Defendants and their affiliates) holding Seragen Common Stock on the date of the proxy solicitation ratifying the Marathon Transaction, November 4, 1997, and on the effective date of the Merger, August 12, 1998. The Court certified that class under Court of Chancery Rules 23(a) and (b)(1). The named Plaintiffs continued to pursue their claims with respect to the three of the Four Pre-Merger Transactions not encompassed in the Class Certification Order (i.e., the Series B Transaction, the Series C Transaction and the USSC Transaction) as individual claims on behalf of each named Plaintiff. The Defendants dispute the ability of the named Plaintiffs to maintain those individual claims.

After substantial discovery, including document reviews and numerous depositions (see discussion below), the two groups of defendants brought two separate Motions for Summary Judgment seeking dismissal of all remaining claims in the case. Plaintiffs brought a cross Motion for Partial Summary Judgment. The parties' cross-motions for summary judgment were filed on or about November 24, 2004, and briefing on the motions was completed on or about January 14, 2005. On January 20, 2005, the Court heard oral argument and issued its ruling on the parties' cross-motions for summary judgment. The Court denied Plaintiffs' Motion in its entirety, but granted partial summary judgment to the defendants on some of the claims, as follows: (1) Partial summary judgment was granted in favor of all the defendants with respect to all claims based on the "USSC Transaction" and the "Marathon Transaction" (with the exception of any disclosure claims arising out of the Marathon proxy solicitation); (2) Partial summary judgment was granted in favor of all the defendants as to those portions of Plaintiffs' claims based on the "Series B Financing" and the "Series C Financing" which were premised on harm inflicted upon Seragen, rather than upon the Plaintiffs directly, and those claims premised on harm inflicted upon Seragen were dismissed for lack of standing; (3) Summary judgment as to all claims was granted in favor of Defendants Turi Josefsen and Marathon Biopharmaceuticals LLC; and (4) Partial summary judgment was granted in favor of Defendants Reed Prior and Jean Nichols with respect to all claims based on the "Series B Financing" and the "Series C Financing." In all other respects, the parties' cross-motions for summary judgment were denied.

Immediately prior to the commencement of trial, which was scheduled to begin on February 7, 2005, three Defendants, Reed Prior, Norman Jacobs and Jean Nichols negotiated with Class Counsel for a settlement (previously defined as the "Partial Settlement") of all remaining claims against them in exchange for a lump sum payment of \$1,500,000 (the "Partial Settlement Fund"). The parties to the Partial Settlement reached agreement on or about February 3, 2005, subject to the approval of the Partial Settlement by the Court. The Court was advised of the Partial Settlement on February 4, 2005. Notice was provided to the Class and the Court approved the Partial Settlement at a hearing on November 2, 2005. The Class members made claims against the Partial Settlement Fund, minus attorneys' fees and other costs and expenses approved by the Court, which were reviewed and approved or rejected by Class Counsel and the Claims Administrator, The Garden City Group. The Court approved a final Settlement Distribution order for the Partial Settlement on October 17, 2006, and the funds from the Partial Settlement were distributed to approved claimants in accordance with the Court's orders. In connection with the Partial Settlement, Merger Date Holders representing a total of 4,138,793 common shares were approved pursuant to this Court-ordered procedure. These 4,138,793 shares constituted approximately 28% of the estimated total of 14,779,342 eligible Class shares as of the Merger date.

At the same time as the Partial Settlement was being documented, approved and ultimately distributed, trial went forward as scheduled with respect to the remaining claims against the remaining BU Defendants. Trial testimony was taken through February 17, 2005, and the introduction of all trial evidence was completed on March 4, 2005. After the close of evidence on March 4, 2005, the BU Defendants made an oral motion for a directed verdict on all claims that remained pending against them. The Court granted the motion with respect to the Marathon disclosure claim (the only claim held by the Marathon Proxy Date Holders that was still pending at the time of the trial). In all other respects, the BU Defendants' oral motion for directed verdict was denied. Subsequently, Plaintiffs and the BU Defendants provided the Court with extensive post-trial briefing, and the Court heard oral argument on July 21, 2005.

The Court issued its 104-page, post-trial Memorandum Opinion on April 14, 2006. In its Memorandum Opinion, the Court found in favor of Defendant Hirsch on the aiding and abetting breach of duty claim, dismissing all remaining claims against him. The Court also ruled in favor of the remaining BU Defendants on some of the claims presented at trial, but found against the Settling Defendants on the breach of fiduciary duty claims. The Court also found that the Settling Defendants failed to demonstrate that the Merger allocation was entirely fair. The Court found that, as a result, the "shareholders of Seragen suffered actual damages of \$4,808,244 and nominal damages of one dollar."

The Settling Defendants moved to re-argue the Court's Memorandum Opinion and also sought, in that motion, to set-off against the damage award, the \$1,500,000 paid by the other defendants in the earlier Partial Settlement. Plaintiffs opposed that motion to re-argue. The Court denied the motion to re-argue in a written letter opinion on December 8, 2006.

The parties then attempted to agree upon a final form of judgment order incorporating the Court's rulings, but they were unable to agree. The parties submitted competing forms of order to the Court. Among other things, Plaintiffs argued that the Class was entitled to receive the entire \$4,808,245 in "actual damages" found by the Court. The Settling Defendants argued that the \$4,808,245 amount should be reduced *pro rata* by the amount of shares owned by the Boston University and its affiliates and that Settling Defendants should be required to fund only the portion of the damage award expected to be claimed by the Class members (\$1,600,000 was proposed as the amount the Settling Defendants expected to be claimed), and that Boston University should be entitled to receive any judgment funds not claimed by the Class members.

The Court issued a letter opinion on January 18, 2007 regarding the parties' contentions. It agreed with Boston University as to part of the dispute and held that the \$4,808,245 should be reduced *pro rata* by the amount of Seragen shares held by Boston University and its affiliates. The Court agreed with Plaintiffs, however, that the Court's interest award should be compounded monthly. At that time, the Court denied Boston University's request to fund less than the full amount of the judgment award and held in abeyance its ruling on whether Boston University should receive the unclaimed judgment funds.

The parties then again attempted to agree upon a final form of judgment implementing the Court's April 14, 2006 Memorandum Opinion and its January 18, 2007 letter ruling. Plaintiffs calculated the shares in the Class to be 14,779,342 based upon the Seragen Proxy Statement introduced at trial, for a total damage award of \$2,837,454 plus interest at the legal rate already awarded by the Court in its Memorandum Opinion. The Settling Defendants argued, however, that the number of shares derived from Seragen Proxy Statement was not accurate, and that a claims process was required to determine the true number of shares held by the Class and the consequent amount of the damages that should be allocated to the Class shares. The Court held a telephonic hearing on February 28, 2007, during which the Settling Parties again asked the Court to decide in advance whether the Court would allow Boston University to receive the unclaimed judgment funds. The Court directed the parties to brief a number of the issues raised by the Settling Defendants, including the request that the Court allow Boston University to receive the unclaimed judgment funds.

The parties then briefed the numerous post-trial issues as directed by the Court. Class Counsel also made an application for attorneys' fees in the then-amount of \$2,249,990, representing 1/3 of the total damage award as calculated by Plaintiffs (including the interest portion of the judgment accrued through the date of fee application). As part of that fee application, Class Counsel also sought recovery of out-of-pocket expenses and \$50,000 to be paid to lead plaintiff Sergio Oliver for the substantial time and effort that he expended for the benefit of the Class. They also sought to shift responsibility for paying their attorneys' fees to the Settling Defendants. The briefing on those issues and related issues was completed on June 29, 2007.

On November 8, 2007, the Court held a hearing regarding the issues related to the entry of a post-trial, final judgment and on Class Counsel's application for attorneys' fees, after notice had been sent to the Class related to that application. The Court issued its letter ruling on these issues on May 29, 2009. In the May 29, 2009 letter ruling, the Court, among other things, held: (i) it would enter a judgment against the Settling Defendants in the amount of \$2,837,454 plus interest at the legal rate from the date of the Merger; (ii) awarded \$40,000 to lead plaintiff Sergio Oliver; (iii) awarded \$936,360 in attorneys' fees (representing 1/3 of the base judgment award) to Class Counsel plus interest accruing from January 1, 2004; (iv) awarded costs in the amount of \$14,690.08; (v) awarded out-of-pocket expenses to Class Counsel and the representative plaintiffs for reasonable expenses incurred through the date of their prior application in the amount of \$65,389.22; and (vi) directed that Boston University receive any portion of the judgment award that was not claimed by members of the Class.

The parties then conferred in an effort to agree upon a form of final judgment order implementing the Court's various rulings. In connection therewith, they also engaged in settlement discussions and reached the Settlement before the entry of a final judgment implementing the Court's rulings.

### **REASONS FOR ENTERING INTO THE SETTLEMENT**

The Settlement represents a substantial recovery for the Class and provides an opportunity for the Class claimants to recover more, on a per share basis, than that to which they would otherwise be entitled in the Action in light of the Court's various rulings after trial. The Settlement also avoids the risk that the Class would not prevail on some or all of their claims against the Settling Defendants in an appeal and the judgment to be entered against the Settling Defendants could be reversed. Moreover, in addition to certainty by ending litigation that has been pending for more than eleven years, it provides finality without the need to incur further risk associated with any potential remand after an appeal. The Settlement thus ensures the benefits achieved to date in the litigation will be maintained by the Class and it also provides the opportunity, on a per share basis, for Class claimants to do better than they otherwise would have under the Court's post-trial rulings.

After briefing multiple issues surrounding the implementation of a final order and judgment before the Court of Chancery, the Court issued a letter ruling dated May 29, 2009. In the May 29 letter ruling, the Court, among other things, held: (i) it would enter a judgment against the Settling Defendants in the amount of \$2,837,454 plus interest at the legal rate from the date of the Merger; (ii) awarded \$40,000 to lead plaintiff Sergio Oliver; (iii) awarded \$936,360 in attorneys' fees (representing 1/3 of the base judgment award) to Class Counsel plus interest accruing from January 1, 2004; (iv) awarded costs in the amount of \$14,690.08; (v) awarded out-of-pocket expenses to Class Counsel and the representative plaintiffs for reasonable expenses incurred through the date of their prior application in the amount of \$65,389.22; and (vi) directed that Boston University receive any portion of the judgment award that was not claimed by members of the Class. The Court also agreed with Plaintiffs that it was appropriate to calculate the total shares in the Merger Date Class to be 14,779,342. The Court directed the parties to again confer in an effort to agree upon a form of final judgment order implementing the Court's various rulings.

The preparation of such a final order required the parties to calculate and add to the base judgment the interest due on the judgment through the date of the final order to calculate a gross judgment amount, and to subtract from that gross judgment amount the various legal fees, expenses, costs and lead plaintiff award already awarded by the Court, and also to subtract projected costs of administering the distribution of the award to the claiming class members, in order to yield the amount of the fund that would remain for distribution to calculate a net award per share. Plaintiffs and the Settling Defendants did not agree on the calculation of several of these amounts. Among the disagreements was the manner in which the parties calculated the interest due to the Class. Plaintiffs calculated the interest on the full amount of the base award before the deduction of the fees and expenses awarded by the Court, yielding a gross award amount (through August 31, 2009, the date by which the parties were attempting to submit the proposed form of final order), equal to \$8,536,504. From this award, attorneys' fees, expenses, the award to Mr. Oliver and projected administration costs would be subtracted to reach a net fund available to Merger Date Class claimants from that judgment. Plaintiffs estimated that the total net fund available to be claimed by the Class equaled \$6,692,462 based on the Court's rulings. The total judgment amount divided by the number of shares in the Class created a potential fund available for distribution to Class claimants equal to approximately 45 cents per share (\$0.45).

The Settling Defendants, in contrast, calculated the interest on a net amount of the base award after the deduction of the fees and expenses awarded by the Court, yielding a net award amount equal to \$5,123,753. The calculations advocated by the Settling Defendants yielded a potential fund available for distribution to Class claimants equal to approximately 34 cents per share (\$0.34).

In its May 29, 2009 Letter Ruling, the Court found that, upon entry of a final judgment, the Class member shareholders would never be entitled to receive more than the damages awarded to them on a per share basis. Thus, the most that any stockholder who had an authorized claim could ever receive using Plaintiffs' calculations implementing the Court's rulings would be \$0.45 per share. The most that any stockholder who had an authorized claim could ever receive using the Settling Defendants' calculations implementing the Court's rulings would be \$0.34 per share. The Court also found that "it is a certainty, based on the Ligand settlement claim experience, that a significant portion of the common fund will not be claimed by members of the class." Counsel for Plaintiffs and the Settling Defendants both agree with this assessment that substantially less than all the shares in the Class will make valid claims. As noted above, in connection with the Partial Settlement (which the Court termed the "Ligand settlement claim experience" in its ruling), stockholders made claims approved for distribution representing only 4,138,793 common shares out of a total of 14,779,342 eligible Class shares as of the Merger Date, or approximately 28%. Because of the passage of time and the fact that persons may move without providing updated address information, Plaintiffs and their Counsel expect that it is likely that claimants representing even less total shares would be make eligible and authorized claims against the judgment to be entered based on the Court's rulings. All unclaimed funds would be retained by Defendant BU under the Court's March 29 ruling.

By way of illustration, assuming the same number of shares as claimed in the Partial Settlement, the total amount that would have been distributed to the Class under the judgment calculated by Plaintiffs equaled approximately \$1,862,457, (the number of shares (4,138,793) times \$0.45 per share). The total amount that would have been distributed to the Class under the judgment calculated by Settling Defendants equaled approximately \$1,407,190, (the number of shares (4,138,793) times \$0.34 per share). While it is possible that additional Class claimants may come forward to increase the total amounts to be distributed as calculated above, the total amount distributed to Class members who would make valid claims could never exceed \$0.45 per share under Plaintiffs' interpretation of the Court's rulings, and could never exceed \$0.34 per share under the Settling Defendants' interpretation of the Court's rulings.

Under the Settlement, however, members of the Class who are Merger Date Holders and who make valid claims are entitled to their *pro rata* share of the total Net Settlement Fund. The Settling Defendants have agreed to fund the full amount of \$4,375,000 to be distributed to class members, net of attorneys' fees, expenses, administration costs and the award to Mr. Oliver, regardless of the number of Class member claimants to the fund. Thus, under the Settlement, Class members who make valid claims are expected to receive an amount significantly greater than \$0.45 per share for their claims. It is, in Plaintiffs' view, highly unlikely that Class claimants would do worse than \$0.45 per share – and extremely unlikely that Class claimants would ever receive less than the \$0.34 per share advocated by the Settling Defendants as the appropriate calculation to implement the Court's rulings.

By way of illustration, the Net Settlement Fund available after paying attorneys' fees equal to the amount awarded in the Court's rulings, expenses, administration costs and Mr. Oliver's award, is estimated to be \$2,487,632. Assuming the same number of Class shares make valid and approved claims as in the Partial Settlement, then the amount that each Claimant would receive under the Settlement would be approximately \$.60 per share (\$2,487,632 divided by 4,138,793 shares). Thus, although the most that any member of the Class could receive under a judgment is \$0.45 per share using Plaintiffs' calculations (and \$0.34 using the Settling Defendants calculations), under the Settlement it is probable that claimants will receive approximately \$.60 per share (or even more, if, as expected, Class participation in this Settlement is even lower than the participation in the Partial Settlement due to the greater passage of time). To be reduced to reach the \$0.45 per share amount equal to the as-awarded amount by the Court as calculated by Plaintiffs, a total of 5,528,513 shares would have to make valid claims against the Net Settlement Fund. This increase of over 1,389,277 additional shares as compared to the Partial Settlement (a 34% increase) is improbable in Plaintiffs' view due to the passage of time. To be reduced to reach the \$0.34 per share amount equal to the as-awarded amount by the Court as calculated by the Settling Defendants, a total of 7,316,564 shares would have to make valid claims against the Net Settlement Fund. This increase of over 3,177,771 additional shares as compared to the Partial Settlement (a 77% increase) is even more improbable. It is more probable that fewer shares will make claims and that an increase in claims of these magnitudes is highly unlikely and would require an unusual circumstance of a group of large stockholders who for some reason did not participate in the Partial Settlement making claims to this Settlement. Plaintiffs are aware of no facts which would suggest that such an unusual circumstance might occur. Thus, Plaintiffs' assessment of the Settlement is that it is far more likely than not that Class Members making valid claims will receive substantially more than they otherwise would have received had the Plaintiffs simply agreed to entry of a judgment consistent with the Court's rulings. Moreover, the risk that participating Class members might receive less per share because of a very large and unexpected increase in the number of valid and approved claims is small.

Thus, while Class Counsel will seek only the same fees as the Court already awarded to them, and Mr. Oliver will seek only the same award as already granted by the Court in its March 29 ruling, the Class members making valid claims stand to do much better on a per share basis under the Settlement than under the Court's rulings. At the same time, there are significant other benefits to the Settlement. The Settlement locks in benefits achieved by this litigation to date. This matter already has been fought vigorously for over eleven years, and it was expected that the parties, absent this Settlement, would have proceeded to appeal. Moreover, as noted above, the parties before reaching this Settlement continued to dispute various calculations regarding the Court's award, including interest components which put the Class claimants at risk of receiving a far smaller amount per share, and the resolution of those disputes would have required even more time, burden and expense before the final judgment could be entered, after which appeals would commence.

Plaintiffs in the anticipated appeal would be at risk that the judgment in their favor could be overturned, leaving the Class with nothing. It is also possible that the appeal could have affirmed the Court's rulings, which would have permitted the Settling Defendants to retain all unclaimed funds and the Class could do no better than \$0.45 per share (or only \$0.34 per share if the Court adopted the Settling Defendants' calculations). At the same time, even if Plaintiffs prevailed in an appeal, reversal of rulings that went against Plaintiffs would likely have resulted in a remand to the Court of Chancery for further proceedings, including the possibility of an additional time consuming and expensive damages re-trial. Plaintiffs then would have been required to raise additional funds to cover substantial additional out-of-pocket expenses associated with such further litigation, including the cost of an expert, with no guarantee that any additional damages would be awarded. In short, the uncertainties associated with further proceedings on appeal, and after appeal, made the Settlement an attractive alternative given that the benefits of the proceedings to date could be made certain and the Class claimants are expected to receive a substantially greater amount per share under the Settlement than they would have received under the judgment.

### **CLAIMS ADMINISTRATION AND RECOVERY FORMULA**

Unless a Class member has a Deemed Claim (as defined below), Class members must submit a timely and valid Proof of Claim and Release form ("Proof of Claim") to share in the Net Settlement Fund. The Proof of Claim is included with this Notice. Please follow the instructions in the Proof of Claim carefully and note the requirement for documentation of your transactions in Seragen's common stock. If, however, you made a valid proof of claim as a Merger Date Holder that was accepted and paid in connection with the Partial Settlement with the three directors who settled prior to the trial, you need not submit a Proof of Claim to have your claim recognized. In such case, you need only sign and return the Claim Confirmation included with this Notice. Under the Settlement, the number of shares of stock as of the Merger Date (not the Marathon Proxy Date) for which your valid claim had been previously approved in the Partial Settlement will be deemed accepted (a "Deemed Claim"). Persons with a Deemed Claim will be entitled to their *pro rata* portion of the Net Settlement Fund as Authorized Claimants (defined below). Even if you have a Deemed Claim, however, you will be required to confirm or provide your current address by signing and returning the Claim Confirmation to ensure receipt of payment of your portion of the Net Settlement Fund in connection with this Settlement. **FAILURE TO FILE A CLAIM CONFIRMATION OR A PROOF OF CLAIM, EVEN IF YOU HAD A CLAIM APPROVED IN THE PRIOR SETTLEMENT, WAIVES ANY RIGHT TO PARTICIPATE IN THE SETTLEMENT FUND.**

The administration of the Settlement Fund and Proofs of Claim will be handled by The Garden City Group, Inc. (the "Claims Administrator"). For each purchaser holding Seragen common stock on Merger Date from whom a timely and valid Claim Confirmation or Proof of Claim is received by the Claims Administrator ("Authorized Claimant"), the Claims Administrator will determine the *pro rata* share of the Net Settlement Fund (as defined above, the Settlement Fund including *pro rata* interest net of taxes and less all approved costs, fees, litigation expenses and administration costs) utilizing the procedures set forth under this heading. The Net Settlement Fund will be allocated 100% to the members of the Class who were holders and beneficial owners of shares of common stock of Seragen on August 12, 1998 (the effective date of the consummation of the merger between Seragen and Ligand Pharmaceuticals, Incorporated, defined above as the "Merger Date Holders"). Each Authorized Claimant will receive a *pro rata* share of the Net Settlement Fund determined by the ratio that such Authorized Claimant's shares held on August 12, 1998 (the "Merger Date") bears to the total shares of all such Authorized Claimants on the Merger Date. No consideration will be paid to the holders as of the Marathon Proxy Date. The foregoing computation is not intended to be an estimate of what an Authorized Claimant might have been able to recover under the judgment rendered after trial. Rather, it is the amount allocable to the Authorized Claimant from the limited pool of funds created by the Settlement, reduced by payment of approved fees and expenses.

Only one Claim Confirmation or Proof of Claim and Release form should be submitted by each Claimant. The Claim Confirmations and Proof of Claim and Release forms must be submitted by mail and received by the Claims Administrator on or before June 7, 2010, addressed as follows:

In re Seragen Securities Litigation II  
c/o The Garden City Group, Inc.  
Claims Administrator  
P.O. Box 9595  
Dublin, OH 43017-4895  
Phone: 1-888-281-2470

### **RELEASES**

In exchange for the Settlement Payment, all Class claims and individual claims against the Settling Defendants will be dismissed with prejudice, and forever released pursuant the following release provisions: All claims, rights, demands, suits, matters, issues or causes of action, whether known or unknown, of Plaintiffs and all Class Members against the Settling Defendants and any of their respective employees, agents, attorneys, trustees, representatives, insurers, heirs, executors, personal representatives, estates, administrators, successors and assigns, (collectively, the "Released Parties"), whether under state or federal law, including the federal securities laws, and whether asserted directly, indirectly, derivatively, representatively, individually, or in any other capacity, in connection with, or that arise out of, any claim that was or could have been brought against the Settling Defendants in the Action, including without limitation, the Merger, the negotiation and consideration of the Merger and any agreements and disclosures relating thereto, the Four Pre-Merger Transactions, the negotiation and consideration of the Four Pre-Merger Transactions and any agreements and disclosures relating thereto, or any acts, facts, matters, transactions, occurrences, conduct or representations relating to or arising out of the subject matter referred to in the Action, or the fiduciary or disclosure obligations of any of the Settling Defendants with respect to any of the foregoing (whether or not such claim could have been asserted in the Action) (collectively, the "Settled Claims"), shall be compromised, settled, released and dismissed with prejudice.

### **THE SETTLEMENT HEARING**

The Court has scheduled a Settlement Hearing which will be held on March 15, 2010 at 10:00 a.m., at the New Castle County Courthouse, 500 North King Street, Wilmington, Delaware 19801 to:

- a. confirm prior class certification rulings;
- b. determine whether the Settlement should be approved by the Court as fair, reasonable, adequate and in the best interests of the Class;
- c. acknowledge and approve the settlement of the individual claims maintained by certain of the Representative Plaintiffs that were not certified as part of the Class;
- d. determine whether an Order and Final Judgment should be entered pursuant to the Stipulation;
- e. consider the Class representatives' application for an award of attorneys' fees for Class Counsel and reimbursement of expenses to the Representative Plaintiffs
- f. award an amount equal to \$40,000 (the amount previously awarded by the Court in its post-trial letter opinion) to lead plaintiff Sergio Oliver for his contribution to the litigation; and
- g. rule on such other matters as the Court may deem appropriate.

The Court has reserved the right to adjourn the Settlement Hearing or any adjournment thereof, including the consideration of the application for attorneys' fees and expenses, without further notice of any kind other than oral announcement at the Settlement Hearing or any adjournment thereof.

The Court also has reserved the right to approve such modifications to the Settlement as the Settling Parties may agree upon without further notice to the members of the class.

The Court has also reserved the right to approve the Settlement at or after the Settlement Hearing as consented to by the parties to the Stipulation without further notice to the Class.

**RIGHT TO APPEAR AND OBJECT**

Any member of the Class who objects to: (i) the Settlement; (ii) the entry of the proposed Order and Final Judgment to be entered in the Action; (iii) the application for attorneys' fees, reimbursement of expenses and lead plaintiff award to the Representative Plaintiffs; and/or (iv) who otherwise wishes to be heard, may appear in person or by his attorney at the Settlement Hearing and present evidence or argument that may be proper and relevant; provided, however, that, except for good cause shown, no person other than Class Counsel and counsel for the Settling Defendants in the Action shall be heard and no papers, briefs, pleadings or other documents submitted by any person shall be considered by the Court unless not later than ten (10) calendar days prior to Settlement Hearing such person files with the Court and serves upon counsel listed below: (a) a written notice of intention to appear; (b) a statement of such person's objections to any matters before the Court; and (c) the grounds for such objections and the reasons that such person desires to appear and be heard, as well as all documents or writings such person desires the Court to consider. Such filings shall be served upon each of the following counsel:

Attorneys for Plaintiffs:

Michael A. Weidinger  
Pinckney, Harris & Weidinger, LLC  
1220 N. Market Street, Suite 950  
Wilmington, DE 19801

Attorneys for the Settling Defendants:

William O. LaMotte, III  
Morris, Nichols, Arsht & Tunnell  
1201 N. Market Street  
P.O. Box 1347  
Wilmington, DE 19899

Unless the Court otherwise directs, no one shall be entitled to object to the Court's certification of the Class, the approval of the Settlement, any judgment entered thereon, the adequacy of the representation of the Class by the Representative Plaintiffs and their counsel, any award of attorneys' fees and expenses, and any award for recovery of expenses to the Representative Plaintiffs, or be heard, except by serving and filing a written objection and supporting papers and documents as described above.

Any person who fails to object in the manner described above shall be deemed to have waived the right to object (including any right of appeal) and shall be forever barred from raising such objection in this or any other action or proceeding.

**IF THE COURT APPROVES THE SETTLEMENT OF THE CLASS CLAIMS, THAT APPROVAL WILL CONSTITUTE A BINDING DETERMINATION ON ALL CLASS MEMBERS WITH RESPECT TO THE SETTLED CLAIMS. CLASS MEMBERS WILL NOT BE ENTITLED TO OPT OUT OF THE SETTLEMENT.**

**CONDITIONS FOR SETTLEMENT**

The Settlement is conditioned upon the occurrence of certain events described in the Stipulation. Those events include, among other things: (1) determining that the class certification shall be final for purposes of this Settlement (the Court's prior class certification rulings will be confirmed); (2) entry of the Order and Final Judgment by the Court, as provided for in the Stipulation; and (3) the passage of time needed for the Judgment to become Final, as that term is defined in the Stipulation. If, for any reason, any one of the conditions described in the Stipulation is not met, the Stipulation may be terminated and, if terminated, will become null and void, and the parties to the Stipulation will be restored to their respective positions as of the date the Stipulation was signed.

## ORDER AND FINAL JUDGMENT OF THE COURT

If the Court determines that the Settlement, as provided for in the Stipulation, is fair, reasonable, adequate and in the best interests of the Class, the parties will ask the Court to enter an Order and Final Judgment, which will, among other things:

1. approve the Settlement and adjudge the terms thereof to be fair, reasonable, adequate and in the interests of the Class, pursuant to Court of Chancery Rule 23(3);
2. make final as to the Settling Defendants for purposes of the Settlement the Court's previous determination to (i) certify the Action as a class action pursuant to Court of Chancery Rules 23(b)(1) utilizing the Class definition set forth in the Stipulation and (ii) designate the named Plaintiffs in the Action as class representatives with Plaintiffs' Counsel as Class Counsel;
3. authorize and direct the performance of the Settlement in accordance with its conditions and reserve jurisdiction to supervise the consummation of the Settlement provided herein;
4. dismiss the Action against the Settling Defendants with prejudice in accordance with the terms of the Stipulation and with an express determination by the Court pursuant to Del. Ch. Ct. Rule 54(b) that there is not just reason for delay and upon an express direction for the entry of the judgment as to the Settling Defendants, and grant the releases described above in accordance with the terms and conditions of the Stipulation;
5. award attorneys' fees and expenses to Class Counsel;
6. award recovery of costs and expenses to the Representative Plaintiffs; and
7. award \$40,000 to lead plaintiff Sergio Oliver.

### PROOF OF CLAIM AND RELEASE FORM

***To participate in the Settlement Fund, you must timely complete, execute and file either a Claim Confirmation of your Deemed Claim ("Claim Confirmation") or a valid Proof of Claim and Release form ("Proof of Claim"). If you have a Deemed Claim, if your address has changed since the prior Partial Settlement, it is critical that you provide a current, accurate mailing address using the Claim Confirmation form. FAILURE TO FILE A CLAIM CONFIRMATION FORM OR A PROOF OF CLAIM, EVEN IF YOU HAD A CLAIM APPROVED IN THE PRIOR SETTLEMENT, WAIVES ANY RIGHT TO PARTICIPATE IN THE SETTLEMENT FUND.*** Both a Claim Confirmation form and a Proof of Claim form are enclosed with this Notice. You may receive more than one copy of this Notice and the Claim Confirmation and Proof of Claim forms, but you should submit only one Claim Confirmation or Proof of Claim. Do not submit both a Claim Confirmation and a Proof of Claim. The reconciliation of conflicting or multiple form submissions may delay payment from the fund.

The Proof of Claim must be completed in accordance with the Instructions on the Proof of Claim, and must enclose all documentation required by the Instructions.

Your Claim Confirmation or Proof of Claim must be filed with the Court-appointed Claims Administrator at the following address, so that it is received by the Claims Administrator, on or before June 7, 2010.

In re Seragen Securities Litigation II  
c/o The Garden City Group, Inc.  
Claims Administrator  
P.O. Box 9595  
Dublin, OH 43017-4895  
Phone: 1-888-281-2470

A Claim Confirmation or Proof of Claim will be deemed filed when mailed, via first-class mail postage prepaid.

Members of the Class who fail to submit a timely and valid Claim Confirmation or Proof of Claim will nevertheless be bound by the Settlement, if finally approved, and all orders and judgments entered by the Court in connection therewith.

Each person or entity submitting a Claim Confirmation or Proof of Claim thereby submits to the jurisdiction of the Court for purposes of the Action, the Settlement and any proceedings relating to such Claim Confirmation or Proof of Claim, and agrees that such Claim Confirmation or Proof of Claim will be subject to review and further inquiry as to such person's or entity's status as a member of the Class and the allowable amount of the claim. **IF THE SETTLEMENT IS APPROVED BY THE COURT, FAILURE TO SUBMIT A VALID CLAIM CONFIRMATION OR PROOF OF CLAIM WILL PRECLUDE YOUR RECOVERY FROM THE SETTLEMENT FUND. ANY CLAIMS YOU MAY HAVE AGAINST THE RELEASED PARTIES WILL BE RELEASED AND BARRED AS SET FORTH IN THE ABOVE RELEASES EVEN IF YOU FAIL TO SUBMIT A CLAIM CONFIRMATION OR VALID PROOF OF CLAIM IF THE SETTLEMENT IS APPROVED.**

**NOTICE TO PERSONS OR ENTITIES HOLDING  
OWNERSHIP ON BEHALF OF OTHERS**

If you purchased or held Seragen common stock on either or both of the Class Certification Dates as a nominee for the benefit of another person, you are hereby requested to forward immediately to the beneficial owner(s) a copy of this Notice or to provide the names and addresses of such person(s) to the Claims Administrator at: In re Seragen Securities Litigation II, c/o The Garden City Group, Inc., Claims Administrator, P.O. Box 9595, Dublin, Ohio 43017-4895, in which case such person(s) will be sent a copy of the Notice by Class Counsel or the Claims Administrator. You may obtain additional copies of this Notice by sending a request to the Claims Administrator at the above address.

Brokers and other nominees will be reimbursed by the Claims Administrator for the first-class postage expenses actually incurred for each Notice and Claim Confirmation and Proof of Claim form mailed to members of the Class. For reimbursement of reasonable processing charges, you must submit to the Claims Administrator, so that it is received by the Claims Administrator by June 7, 2010, a signed and detailed description of the types, rates and necessity of such charges and the number of persons to whom notice was mailed. Such submissions are subject to review and approval by the Claims Administrator, who shall have the right to deny unreasonable claims for reimbursement, subject to final consideration thereof by the Court.

**YOUR FAILURE TO COMPLY PROMPTLY WITH THIS REQUEST MAY IMPAIR THE OPPORTUNITY  
FOR THE BENEFICIAL PURCHASERS ON WHOSE BEHALF YOU ACTED TO PARTICIPATE IN THE  
SETTLEMENT FUND.**

**SCOPE OF THIS NOTICE**

This Notice merely provides a brief summary of the litigation and the proposed Settlement. For a more detailed statement of the matters involved in the litigation, you may refer to the pleadings, the Stipulation, and the orders entered by the Court and to certain other papers filed in the litigation. These papers may be inspected at the Register in Chancery of the New Castle County Courthouse, 500 North King Street, Wilmington, Delaware 19801. In addition, if you have any questions regarding the information contained in this Notice, you may contact Class Counsel by writing to:

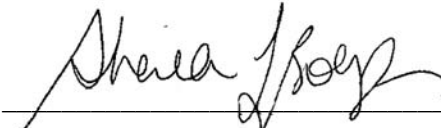
Michael A. Weidinger  
Pinckney, Harris & Weidinger, LLC  
1220 N. Market Street, Suite 950  
Wilmington, DE 19801

Or

Thomas G. Griffin  
Walker Wilcox Matousek LLP  
225 West Washington Street, Suite 2400  
Chicago, IL 60606

**FOR QUESTIONS CONCERNING THIS NOTICE, DO NOT CONTACT THE COURT OR CLERK OF THE COURT. IF YOU HAVE ANY QUESTIONS, YOU SHOULD DIRECT THEM TO CLASS COUNSEL IDENTIFIED IMMEDIATELY ABOVE OR TO THE CLAIMS ADMINISTRATOR IDENTIFIED HEREIN.**

Dated: January 27, 2010

  
\_\_\_\_\_  
Register in Chancery