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11 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
12 COUNTY OF SANTA CLARA

13 In re PHARMACYCLICS, INC. ) Lead Case No. 115-CV-278055  
SHAREHOLDER LITIGATION )  
14 ) (Consolidated with Nos. 1-15-CV-278088;  
\_\_\_\_\_ ) 1-15-CV-278215 and 1-15-CV-278260)

15 This Document Relates To: )  
16 ) CLASS ACTION  
ALL ACTIONS. )  
17 \_\_\_\_\_ ) STIPULATION OF SETTLEMENT

18 Judge: Hon. Peter H. Kirwan  
19 Dept: 1  
Date Action Filed: March 13, 2015

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1 This Stipulation of Settlement dated as of January 22, 2016 (the “Stipulation”), is made and  
2 entered into by and among the following Settling Parties (as defined further in Section IV hereof) to the  
3 above-entitled litigation: (i) Plaintiffs (on behalf of themselves and each of the Class Members), by and  
4 through their counsel of record in the litigation; and (ii) Defendants, by and through their counsel of  
5 record in the litigation. The Stipulation is intended by the Settling Parties to fully, finally, and forever  
6 resolve, discharge, and settle the Released Claims (as defined in ¶1.14 hereof), upon and subject to the  
7 terms and conditions hereof.

8 **I. THE LITIGATION**

9 Beginning on March 13, 2015, the following class action lawsuits: *Evangelista v. Duggan, et al.*,  
10 No. 115CV278055 (the “*Evangelista Action*”); *Treppel v. Duggan, et al.*, No. 115CV278088 (the  
11 “*Treppel Action*”); *Wang v. Pharmacyclics, Ind., et al.*, No. 115CV278215 (the “*Wang Action*”); and  
12 *Wallach v. Pharmacyclics, Inc., et al.*, No. 115CV278260 (the “*Wallach Action*”) (collectively, the  
13 “*Actions*”), were filed in the Superior Court of the State of California for the County of Santa Clara (the  
14 “*Court*”).<sup>1</sup> These Actions were brought on behalf of putative classes of stockholders of Pharmacyclics,  
15 Inc. (“*Pharmacyclics*” or the *Company*”) against the *Company*, the members of its Board of Directors,  
16 AbbVie Inc. (“*Parent*”), Oxford Amherst Corporation, a Delaware corporation and direct wholly owned  
17 subsidiary of *Parent* (“*Purchaser*”), and Oxford Amherst LLC, a Delaware limited liability company and  
18 direct wholly owned subsidiary of *Parent* (“*Merger Sub*”) (*Merger Sub*, *Parent* and *Purchaser* are  
19 collectively referred to as “*AbbVie*”).

20 The *Actions* challenge the sale of Pharmacyclics to AbbVie pursuant to which AbbVie has  
21 commenced a tender offer to acquire all of the outstanding stock of Pharmacyclics for \$261.25 per  
22 share, which was first announced on March 4, 2015 (the “*Acquisition*”).

23 On or about March 23, 2015, the *Company* caused to be filed with the United States Securities  
24 and Exchange Commission (“*SEC*”) a Solicitation and Recommendation Statement on Schedule 14D-9  
25 (the “*Recommendation Statement*”), which included, *inter alia*, information concerning the background  
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28 <sup>1</sup> The *Actions* were consolidated by the *Court* on January 19, 2016.

1 of the Acquisition, the process leading to the agreement to sell Pharmacyclics to AbbVie, and the  
2 financial analysis performed by the Company’s financial advisor.

3 On April 1, 2015, defendants provided to plaintiffs’ counsel for settlement purposes only certain  
4 confidential documents that were prepared in connection with the Acquisition.

5 On April 3, 2015, counsel for plaintiff Treppel sent a letter on behalf of plaintiffs in all of the  
6 Actions (the “Plaintiffs”) to defendants’ counsel demanding disclosure of allegedly material  
7 information contained in confidential documents produced by defendants (the “Treppel Demand  
8 Letter”).

9 On April 9, 2015, defendants’ counsel sent proposed supplemental disclosures to plaintiffs’  
10 counsel, and engaged in arm’s-length negotiations over the proposed supplemental disclosures  
11 thereafter.

12 Counsel for all parties to the Actions have reached an agreement providing for the settlement of  
13 the Actions between and among Plaintiffs, on behalf of themselves and the Class (as defined below),  
14 and all defendants named in each of the Actions (the “Defendants”), on the terms and subject to the  
15 conditions set forth below in this Stipulation.

16 On or about April 17, 2015, in connection with the contemplated settlement of the Actions,  
17 Pharmacyclics issued the supplemental disclosures previously negotiated with Plaintiffs on SEC  
18 Schedule 14D-9 (the “Supplemental Disclosures”).

19 Plaintiffs’ Counsel conducted an extensive investigation regarding Plaintiffs’ claims for  
20 injunctive and declaratory relief. Plaintiffs’ Counsel also reviewed and analyzed the documents  
21 produced by Defendants in consultation with their financial expert. Counsel for Plaintiffs and counsel  
22 for Defendants also engaged in arm’s-length negotiations regarding a possible resolution of the Actions.  
23 As a result of those negotiations, the parties entered into an agreement-in-principle to resolve the  
24 Actions. Thereafter, on April 16, 2015, the parties to the Actions executed a Memorandum of  
25 Understanding (“MOU”), which included, among other things, an agreement that the Company would  
26 make certain supplemental disclosures to Pharmacyclics stockholders sufficiently prior to the close of  
27 the tender offer, so that Pharmacyclics’s stockholders could receive further disclosure.

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1 Prior to entering into this Stipulation, Plaintiffs' Counsel conducted substantial confirmatory  
2 analysis, which included the review of additional documents produced by Defendants, and the  
3 depositions of Daniel Faga from Centerview Partners LLC ("Centerview") and Mike Gaito from J.P.  
4 Morgan. Centerview and J.P. Morgan each issued fairness opinions in connection with the Acquisition.

5 The settlement set forth herein reflects the results of the parties' negotiations and the terms of  
6 the MOU. An agreement-in-principle was only reached after arm's-length negotiations among the  
7 parties who were all represented by counsel with extensive experience and expertise in shareholder  
8 class action litigation. During the negotiations, all parties had a clear view of the strengths and  
9 weaknesses of their respective claims and defenses. Plaintiffs and their counsel have concluded that the  
10 additional disclosures provided Pharmacyclics shareholders with material information sufficient to  
11 make an informed decision whether to vote their shares in favor of the Acquisition or seek appraisal of  
12 their Pharmacyclics shares. As a result, Plaintiffs and their counsel believe that the Settlement is in the  
13 best interest of the Class.

## 14 **II. CLAIMS OF THE PLAINTIFFS AND BENEFITS OF SETTLEMENT**

15 Plaintiffs and their counsel believe that the claims asserted in the Actions have merit. However,  
16 Plaintiffs' Counsel recognize and acknowledge the expense and length of continued proceedings  
17 necessary to prosecute the Actions against Defendants through trial and through appeals. Plaintiffs'  
18 Counsel have also taken into account the uncertain outcome and the risk of any litigation, especially in  
19 complex cases such as the Actions, as well as the difficulties and delays inherent in such litigation.  
20 Plaintiffs' Counsel also are mindful of the inherent problems of proof and possible defenses to the  
21 claims asserted in the Actions. Plaintiffs' Counsel believe that the Settlement set forth in this  
22 Stipulation confers substantial benefits upon the Class. Based on their evaluation, Plaintiffs' Counsel  
23 have determined that the Settlement set forth in this Stipulation is in the best interests of Plaintiffs and  
24 the Class.

## 25 **III. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY**

26 Defendants have denied and continue to deny each and all of the claims and contentions alleged  
27 by Plaintiffs in the Actions. Defendants expressly have denied and continue to deny all charges of  
28 wrongdoing or liability against them as alleged in the complaints and the Actions, and specifically deny

1 any breach of fiduciary duty, or that the Acquisition materials provided to Pharmacyclics shareholders  
2 were incomplete or in any way misleading, or that any additional disclosure was required under the  
3 SEC rules or any applicable legal principle. Defendants do not concede that the information contained  
4 in the Supplemental Disclosures is material. Defendants also have denied and continue to deny, *inter*  
5 *alia*, the allegations that Plaintiffs or the Class have suffered damages or that Plaintiffs or the Class  
6 were harmed by the conduct alleged in the Actions.

7           Nonetheless, Defendants have concluded that further litigation could be protracted and  
8 expensive, and, to avoid the distraction, costs, and disruption of such litigation, Defendants concluded  
9 that it is desirable that the Actions be fully and finally settled in the manner and upon the terms and  
10 conditions set forth in this Stipulation. Defendants also have taken into account the uncertainty and  
11 risks inherent in any litigation, especially in complex cases like the Actions. Defendants have,  
12 therefore, determined that it is desirable and beneficial to them that the Actions be settled in the manner  
13 and upon the terms and conditions set forth in this Stipulation.

#### 14 **IV. TERMS OF STIPULATION AND AGREEMENT OF SETTLEMENT**

15           NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED by and among the  
16 Plaintiffs (for themselves and the Class Members) and Defendants, by and through their attorneys of  
17 record, that, subject to the approval of the Court, the Actions and the Released Claims shall be finally  
18 and fully compromised, settled and released, and the Actions shall be dismissed with prejudice, as to all  
19 Settling Parties, upon and subject to the terms and conditions of the Stipulation, as follows.

##### 20 **1. Definitions**

21           As used in the Stipulation, the following terms have the meanings specified below:

22           1.1     “AbbVie” means AbbVie, Inc. and any of its predecessors, successors, parents,  
23 subsidiaries, divisions, or affiliates.

24           1.2     “Acquisition” means the sale of Pharmacyclics to AbbVie pursuant to which AbbVie  
25 acquired all of the outstanding stock of Pharmacyclics for \$261.25 per share.

26           1.3     “Class” means, for settlement purposes only, a non-opt-out class, defined as all Persons  
27 who owned Pharmacyclics stock, either of record or beneficially, at any time between and including  
28 March 4, 2015, and May 26, 2015, the date of the closing of the Acquisition, including any and all of

1 their respective successors in interest, predecessors, representatives, trustees, executors, administrators,  
2 heirs, agents, assigns and transferees, immediate and remote, and any person or entity acting for or on  
3 behalf of, or claiming under, any of them, and each of them. Excluded from the Class are Defendants,  
4 members of the immediate family of any Defendant, any entity in which a Defendant has or had a  
5 controlling interest, officers of Pharmacyclics and the legal representatives, heirs, successors or assigns  
6 of any such excluded Person.

7 1.4 “Class Member” or “Member of the Class” mean a Person who falls within the definition  
8 of the Class as set forth in ¶1.3 of this Stipulation.

9 1.5 “Defendants” means Pharmacyclics, AbbVie, Oxford, Amherst Corporation, Oxford  
10 Amherst LLP, Robert W. Duggan, Eric H. Halverson, Kenneth Clark, Minesh Mehta, David D. Smith  
11 and Richard A. van den Broek.

12 1.6 “Effective Date” means the first date by which all of the events and conditions specified  
13 in ¶6.1 hereof have been met and have occurred.

14 1.7 “Final” means: (i) the date of final affirmance on an appeal of the Judgment, the  
15 expiration of the time for a petition for or a denial of a writ of certiorari to review the Judgment and, if  
16 certiorari is granted, the date of final affirmance of the Judgment following review pursuant to that  
17 grant; or (ii) the date of final dismissal of any appeal from the Judgment or the final dismissal of any  
18 proceeding on certiorari to review the Judgment; or (iii) if no appeal is filed, the expiration date of the  
19 time for the filing or noticing of any appeal from the Court’s Judgment approving the Stipulation,  
20 substantially in the form of Exhibit B attached hereto.

21 1.8 “Individual Defendants” means Robert W. Duggan, Eric H. Halverson, Kenneth Clark,  
22 Minesh Mehta, David D. Smith and Richard A. van der Broek.

23 1.9 “Judgment” means the judgment to be rendered by the Court, substantially in the form  
24 attached hereto as Exhibit B.

25 1.10 “Lead Counsel” means Robbins Geller Rudman & Dowd LLP, David T. Wissbroecker,  
26 655 West Broadway, Suite 1900, San Diego, CA 92101 and Robbins Arroyo LLP, Stephen J. Oddo,  
27 600 B Street, Suite 1900, San Diego, CA 92101.

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1           1.11   “Person” means an individual, corporation, partnership, limited partnership, limited  
2 liability company or partnership, association, joint stock company, estate, legal representative, trust,  
3 unincorporated association, government or any political subdivision or agency thereof, and any business  
4 or legal entity and their spouses, heirs, predecessors, successors, affiliates, representatives, and  
5 assignees.

6           1.12   “Pharmacyclics” means Pharmacyclics and any of its predecessors, successors, parents,  
7 subsidiaries, divisions, or affiliates.

8           1.13   “Plaintiffs” means any plaintiff who appeared in the Actions.

9           1.14   “Plaintiffs’ Counsel” means any counsel who has appeared for any plaintiff in the  
10 Actions.

11           1.15   “Released Claims” shall collectively mean the complete discharge, dismissal with  
12 prejudice on the merits, release, bar and settlement, to the fullest extent permitted by law, of all known  
13 and Unknown Claims (as defined in ¶1.18 below), demands, rights, actions, causes of action, liabilities,  
14 damages, losses, obligations, judgments, duties, suits, costs, expenses, matters and issues of every  
15 nature and description whatsoever, whether or not concealed or hidden, contingent or absolute,  
16 suspected or unsuspected, disclosed or undisclosed, liquidated or unliquidated, matured or unmatured,  
17 accrued or unaccrued, apparent or unapparent, against any Released Person that have been, could have  
18 been or in the future can or might be asserted in the Actions or in any other court, tribunal or other  
19 proceeding by or on behalf of any of the Plaintiffs or any Member of the Class, whether class,  
20 individual, direct, derivative, representative, legal, equitable or any other type or in any other capacity,  
21 whether arising under state, federal, foreign, statutory, common law or regulatory law (including, but  
22 not limited to, the federal securities laws and any state disclosure law), that relates to, is in connection  
23 with, or are based upon or otherwise concern in any manner, directly or indirectly: (i)the claims or  
24 allegations in the Actions; (ii)the Acquisition, any agreements related to the Acquisition and the  
25 transactions contemplated therein; (iii)any compensation, consideration or other payments made to any  
26 Released Person in connection with the Acquisition; (iv)any disclosures or alleged failure to disclose,  
27 with or without scienter, with respect to the Acquisition, including, but not limited to, claims or  
28 allegations based upon, arising from, or related to the Schedule 14D-9, Schedule TO, related Offer to

1 Purchase, the Recommendation Statement and other tender offer documents, in each case as amended,  
2 as well as the Supplemental Disclosures; and (v) any alleged aiding and abetting of the foregoing,  
3 provided, however, that the Settled Claims shall not include the right of Plaintiffs or any Members of  
4 the Class to enforce in the Court the terms of the Stipulation or any properly perfected claims for  
5 appraisal in connection with the Acquisition, provided such an appraisal right is otherwise available to  
6 them under 8 Del. Code §262.

7 1.16 “Released Persons” shall collectively mean any Defendant and any Defendant’s  
8 respective past, present and future predecessors, successors-in-interest, parents, subsidiaries, controlling  
9 persons, partners, members, stockholders, affiliates, funds, representatives, agents, trustees, insurers,  
10 executors, heirs, spouses, marital communities, families, assigns or transferees and any past, present and  
11 future person or entity acting for or on behalf of any of them and each of them, and each and all of their  
12 past, present and future predecessors, successors-in-interest, parents, subsidiaries, partners, members,  
13 stockholders, affiliates, funds, representatives, agents, trustees, insurers, executors, heirs, spouses,  
14 marital communities, families, assigns or transferees and any person or entity acting for or on behalf of  
15 any of them and each of them (including, without limitation, any investment bankers, accountants,  
16 insurers, reinsurers or attorneys and any past, present or future officers, directors, employees and  
17 stockholders of any of them).

18 1.17 “Settling Parties” means, collectively, each of the Defendants and the Plaintiffs on behalf  
19 of themselves and the Members of the Class.

20 1.18 “Unknown Claims” means any claim, cause of action, damage or harm with respect to  
21 the Released Claims which any of the Plaintiffs and/or Class Members do not know or suspect to exist  
22 at the time of the release of the Released Persons which, if known by him, her or it, might have affected  
23 his, her or its settlement with and release of the Released Persons, or might have affected his, her or its  
24 decision not to object to this Settlement. With respect to any and all Released Claims, the Settling  
25 Parties stipulate and agree that, upon the Effective Date, Plaintiffs shall expressly, and each of the Class  
26 Members shall be deemed to have, and by operation of the Judgment shall have, waived and  
27 relinquished, to the fullest extent permitted by law, the provisions, rights, and benefits of California  
28 Civil Code §1542, which provides:



1           A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE  
2 CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR  
3 AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR  
4 HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH  
5 THE DEBTOR.

6 Upon the Effective Date, Plaintiffs and each of the Class Members shall be deemed to have, and by  
7 operation of the Judgment shall have, expressly waived any and all provisions, rights, and benefits  
8 conferred by any law of any state or territory of the United States, any federal law or regulation, or any  
9 principle of common law or international or foreign law, which is similar, comparable or equivalent to  
10 California Civil Code §1542. Plaintiffs and Class Members may hereafter discover facts in addition to  
11 or different from those which he, she or it now knows or believes to be true with respect to the subject  
12 matter of the Released Claims, but Plaintiffs shall expressly have and each Class Member, upon the  
13 Effective Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and  
14 forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected,  
15 contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have  
16 existed, upon any theory of law or equity now existing or coming into existence in the future, including,  
17 but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any  
18 duty, law or rule, without regard to the subsequent discovery or existence of such different or additional  
19 facts. The Settling Parties acknowledge, and the Class Members shall be deemed by operation of the  
20 Judgment to have acknowledged, that the foregoing waiver was separately bargained for and a material  
21 element of the Settlement of which this release is a part.

22           **2.       The Settlement**

23           2.1       Defendants made the Supplemental Disclosures in response to, among other things: (i)  
24 the Treppel Demand Letter and (ii) the allegations set forth in the complaints filed in each of the  
25 Actions. On or about April 17, 2015, Pharmacyclics issued the Supplemental Disclosures negotiated  
26 with Plaintiffs with the SEC on a Schedule 14D-9, attached as Exhibit C hereto.

27           2.2       The Settling Parties agree, for purposes of this Settlement only, to the certification of a  
28 Class under §382 of the California Code of Civil Procedure and California Rule of Court 3.769. In the  
event the Court does not approve a non-opt out Class, the Settling Parties agree that the Settlement shall  
be terminable by Defendants, which option must be exercised unanimously. In the event the Settlement

1 does not become effective pursuant to its terms for any reason, Defendants reserve the right to oppose  
2 certification of any plaintiff class in future proceedings and further reserve all other rights and defenses  
3 that Defendants could have raised had this Stipulation not been entered into among the Settling Parties.

4 **3. Notice Order and Settlement Hearing**

5 3.1 As soon as practicable upon execution of this Stipulation, Lead Counsel shall submit the  
6 Stipulation together with its Exhibits to the Court and shall apply for entry of an order (the “Notice  
7 Order”), substantially in the form of Exhibit A attached hereto, requesting, *inter alia*, certification of a  
8 non-opt out Class pursuant to §382 of the California Code of Civil Procedure and California Rule of  
9 Court 3.769, preliminary approval of the Settlement set forth in the Stipulation, and approval for the  
10 mailing of a settlement notice (the “Notice”), substantially in the form of Exhibit A-1 attached hereto,  
11 which shall include the general terms of the Settlement set forth in the Stipulation and the date of the  
12 Settlement Hearing as defined below.

13 3.2 Lead Counsel shall undertake the responsibility for giving notice to the Class and shall  
14 retain Gilardi & Co. LLC as Notice Administrator to effectuate such notice. All reasonable expenses  
15 and costs in providing notice to Class Members shall be paid by, or caused to be paid by, Pharmacyclics  
16 (or its insurer(s) or successor(s)). At least fourteen calendar days prior to the Settlement Hearing, Lead  
17 Counsel shall file with the Court an appropriate affidavit or declaration with respect to preparing and  
18 mailing the Notice to the Class.

19 3.3 Lead Counsel shall request that after notice is given, the Court hold a hearing (the  
20 “Settlement Hearing”) and finally approve the Settlement of the Actions as set forth herein and to enter  
21 Judgment, substantially in the form of Exhibit B attached hereto.

22 **4. Releases**

23 4.1 Upon the Effective Date, Plaintiffs and each of the Class Members shall be deemed to  
24 have, and by operation of the Judgment shall have, fully, finally, and forever released, relinquished, and  
25 discharged all Released Claims (including Unknown Claims) against the Released Persons.

26 4.2 Upon the Effective Date, each of the Released Persons shall be deemed to have, and by  
27 operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged  
28 Plaintiffs, each and all of the Class Members, and counsel to the Plaintiffs from all claims, demands,

1 rights, actions or causes of action, liabilities, damages, losses, obligations, judgments, suits, fees,  
2 expenses, costs, matters and issues of any kind or nature whatsoever, whether known or unknown,  
3 contingent or absolute, suspected or unsuspected, disclosed or undisclosed, hidden or concealed,  
4 matured or unmatured, based upon or arising out of the institution, prosecution, assertion, settlement or  
5 resolution of the Actions or the Released Claims. By operation of the entry of the Judgment, upon the  
6 Effective Date, the Released Persons shall be deemed to have waived any and all rights and benefits  
7 which they now have, or in the future may have with respect to the claims released by this ¶4.2 by  
8 virtue of the provisions of §1542 of the California Civil Code and any other similar law or provision  
9 which section provides as follows:

10           A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE  
11           CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR  
12           AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR  
          HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH  
          THE DEBTOR.

13 Provided, however, that such release shall not affect any claims to enforce the terms of the Stipulation  
14 or the Settlement.

15           **5. Plaintiffs' Counsel's Attorneys' Fees and Expenses**

16           5.1 After agreeing to the MOU, the Settling Parties negotiated the amount of attorneys' fees  
17 and expenses that, subject to approval by the Court, would be paid to Plaintiffs' Counsel. As a result of  
18 those negotiations, Pharmacyclics or its successor(s) has agreed to pay, or cause to be paid, \$725,000 to  
19 Plaintiffs' Counsel for their attorneys' fees and expenses, subject to Court approval.

20           5.2 Such fees and expenses as set forth in ¶6.1 above shall be paid, or caused to be paid, by  
21 Defendants, to Robbins Geller Rudman & Dowd LLP within fifteen (15) business days of the Court's  
22 entry of the Judgment or a judgment substantially in the form of Exhibit B attached hereto even though  
23 such Judgment may be subject to appeal or a separate order awarding attorneys' fees and expenses  
24 which shall be subject to the joint and several obligation of Plaintiffs' Counsel to refund, within fifteen  
25 (15) business days, all amounts received, if and when, as a result of any appeal and/or further  
26 proceedings on remand, or successful collateral attack, the award of fees, costs and expenses is reduced  
27 or reversed or if the award order does not become final, if the Settlement itself is voided by any Party as  
28 provided herein, or if the Settlement is later reversed by any court and that reversal is Final.

1 Notwithstanding that the Court shall retain jurisdiction in this regard, the Effective Date of the  
2 Settlement is not conditioned on the award or payment of any such attorneys' fees or expenses. Lead  
3 Counsel, in its sole discretion, shall allocate the attorneys' fees and expenses amongst Plaintiffs'  
4 Counsel in a manner in which they in good faith believe reflects the contributions of such counsel to the  
5 institution, prosecution, and settlement of the Actions. Plaintiffs' Counsel, as a condition of receiving  
6 such fees, costs, and expenses, agrees that all firms representing Plaintiffs and those firms' partners are  
7 subject to the jurisdiction of the Court for the purposes of enforcing this paragraph. Neither Defendants  
8 nor any Released Persons shall have responsibility or liability with respect to the allocation among  
9 Plaintiffs' Counsel of any amounts paid for Plaintiffs' Counsel's fees, costs, and expenses.

10 **6. Conditions of Settlement, Effect of Disapproval, Cancellation, or**  
11 **Termination**

12 6.1 The Effective Date of the Settlement shall be conditioned on the occurrence of all of the  
13 following events:

14 (a) the Court's preliminary approval of the Settlement and entry of the Notice Order,  
15 as required by ¶3.1 hereof;

16 (b) the Court's final approval of the Settlement and entry of the Judgment, or a  
17 judgment substantially in the form of Exhibit B attached hereto; and

18 (c) the Judgment's becoming Final, as defined in ¶1.7 hereof.

19 6.2 If all of the conditions specified in ¶7.1 hereof are not satisfied, then the Stipulation shall  
20 be canceled and terminated subject to ¶7.3 hereof, unless Lead Counsel and counsel for Defendants  
21 mutually agree in writing to proceed with the Stipulation.

22 6.3 In the event that the Stipulation is not approved by the Court or the Settlement set forth  
23 in the Stipulation is terminated in accordance with its terms, the Settling Parties shall be restored to their  
24 respective positions in the Actions as of April 16, 2015. In such event, the terms and provisions of the  
25 Stipulation (including the recitals set forth above), except for those set forth in ¶¶2.2, 3.2, and 5.2, shall  
26 have no further force and effect with respect to the Settling Parties and shall not be used in the Actions  
27 or in any other proceeding for any purpose, and any judgment or order entered by the Court in  
28 accordance with the terms of the Stipulation shall be treated as vacated, *nunc pro tunc*. No order of the

1 Court, nor modification nor reversal on appeal of any order, concerning the amount of attorneys' fees  
2 and expenses awarded to Plaintiffs' Counsel shall constitute grounds for cancellation or termination of  
3 the Stipulation or affect its terms including the releases, or affect or delay the finality of the Judgment  
4 approving the Stipulation or Settlement.

5 **7. Miscellaneous Provisions**

6 7.1 The Settling Parties: (a) acknowledge that it is their intent to consummate this  
7 agreement; and (b) agree to cooperate to the extent reasonably necessary to effectuate and implement all  
8 terms and conditions of the Stipulation and to exercise their best efforts to accomplish the foregoing  
9 terms and conditions of the Stipulation.

10 7.2 Pending final determination of whether the Settlement should be approved, Plaintiffs and  
11 all Members of the Class, and any of them, are barred and enjoined from commencing, prosecuting,  
12 continuing to prosecute, instigating or in any way participating in the commencement, prosecution or  
13 continued prosecution of any action asserting any Released Claims against any Released Persons. The  
14 Settling Parties agree that all proceedings in the Actions, except for Settlement-related proceedings,  
15 consolidation of the Actions and judicial assignment, shall be stayed until the Settlement-related  
16 proceedings are concluded.

17 7.3 If any action is maintained or subsequently filed in state or federal court asserting claims  
18 that are related to the subject matter of the Actions prior to the Effective Date, Plaintiffs shall cooperate  
19 with Defendants in obtaining the dismissal or withdrawal of such related litigation, including where  
20 appropriate joining in any motion to dismiss such litigation.

21 7.4 Plaintiffs acknowledge and agree that the parties to the Acquisition may make  
22 amendments or modifications thereto, prior to the effective date of the Acquisition. Plaintiffs agree that  
23 they will not challenge or object to any such amendment or modification so long as it does not change  
24 the Acquisition consideration to the Class' detriment, materially change any other terms of the  
25 Acquisition in a manner that is materially adverse to the Class' interests, or materially conflicts with  
26 this Stipulation.

27 7.5 The parties intend this Settlement to be a final and complete resolution of all disputes  
28 between them with respect to the Actions, and the Released Claims. This Stipulation compromises

1 claims which are contested and shall not be deemed an admission by any Settling Party as to the merits  
2 of any claim or defense. The Settling Parties agree that the Settlement was negotiated in good faith by  
3 the Settling Parties, and reflects a settlement that was reached voluntarily after consultation with  
4 competent legal counsel. Each of the Settling Parties reserves his, her, or its right to rebut, in a manner  
5 that such party determines to be appropriate, any contention made in any public forum that any of the  
6 Actions were brought or defended in bad faith or without a reasonable basis.

7           7.6     None of the Settling Parties contends that during the course of the litigation, any party or  
8 his, her or its respective counsel at any time acted other than in compliance with the requirements of  
9 California Code of Civil Procedure, including California Code of Civil Procedure §§128.5, and 128.7  
10 and any other similar law or rule.

11           7.7     All of the Exhibits to this Stipulation are material and integral parts hereof and are fully  
12 incorporated herein by this reference.

13           7.8     The Stipulation may be amended or modified only by a written instrument signed by or  
14 on behalf of all Settling Parties or their respective successors-in-interest.

15           7.9     The Stipulation and the Exhibits attached hereto constitute the entire agreement among  
16 the parties hereto and no representations, warranties or inducements have been made to any party  
17 concerning the Stipulation or its Exhibits other than the representations, warranties, and covenants  
18 contained and memorialized in such documents. Except as otherwise provided herein, each party shall  
19 bear its own costs and attorneys' fees incurred in the Actions or in connection with the Settlement.

20           7.10    Lead Counsel, on behalf of the Class, are authorized by Plaintiffs to take all appropriate  
21 actions required or permitted to be taken by the Class pursuant to the Stipulation to effectuate its terms  
22 and also are expressly authorized to enter into any modifications or amendments to the Stipulation on  
23 behalf of the Class which they deem appropriate.

24           7.11    Each counsel or other Person executing the Stipulation or any of its Exhibits on behalf of  
25 any party hereto hereby warrants that such Person has the full authority to do so.

26           7.12    Plaintiffs and Plaintiffs' Counsel represent and warrant that Plaintiffs are stockholders of  
27 Pharmacyclics and have been stockholders at all relevant times, including through the consummation of  
28 the Acquisition.



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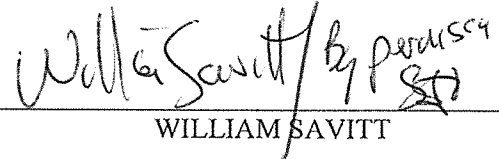


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# **EXHIBIT A**

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10 Co-Lead Counsel for Plaintiffs

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA

12 COUNTY OF SANTA CLARA

13 In re PHARMACYCLICS, INC.  
14 SHAREHOLDER LITIGATION

) Lead Case No. 115-CV-278055  
)  
) (Consolidated with Nos. 1-15-CV-278088;  
) 1-15-CV-278215 and 1-15-CV-278260)

15 This Document Relates To:

) CLASS ACTION

16 ALL ACTIONS.

) [PROPOSED] ORDER PRELIMINARILY  
) APPROVING SETTLEMENT AND  
) PROVIDING FOR NOTICE

18 EXHIBIT A

19 Judge: Hon. Peter H. Kirwan  
20 Dept: 1  
21 Date Action Filed: March 13, 2015

1           WHEREAS, a consolidated action is pending before the Court captioned *In re Pharmacyclics,*  
2 *Inc. Shareholder Litigation*, Lead Case No. 1-15-CV-28055 (collectively, the “Actions”);

3           WHEREAS, the parties having made application for an order approving the settlement of this  
4 Action, in accordance with a Stipulation of Settlement dated as of January 22, 2016 (the “Stipulation”),  
5 which, together with the Exhibits annexed thereto, sets forth the terms and conditions for a proposed  
6 settlement of the Action and for dismissal of the Action with prejudice upon the terms and conditions  
7 set forth therein; and the Court having read and considered the Stipulation and the Exhibits annexed  
8 thereto; and

9           WHEREAS, all defined terms contained herein shall have the same meanings as set forth in the  
10 Stipulation.

11           NOW, THEREFORE, IT IS HEREBY ORDERED:

12           1. Pursuant to §382 of the California Code of Civil Procedure, the Court certifies, for  
13 settlement purposes only, a non-opt-out class, defined as all Persons who owned Pharmacyclics stock,  
14 either of record or beneficially, at any time between and including March 4, 2015, and May 26, 2015,  
15 the date of the closing of the Acquisition, including any and all of their respective successors in interest,  
16 predecessors, representatives, trustees, executors, administrators, heirs, agents, assigns and transferees,  
17 immediate and remote, and any person or entity acting for or on behalf of, or claiming under, any of  
18 them, and each of them. Excluded from the Class are Defendants, members of the immediate family of  
19 any Defendant, any entity in which a Defendant has or had a controlling interest, officers of  
20 Pharmacyclics and the legal representatives, heirs, successors or assigns of any such excluded Person.

21           2. With respect to the Class, this Court finds and concludes that: (a) the members of the  
22 class are so numerous that joinder of all class members in the Action is impracticable; (b) there are  
23 questions of law and fact common to the class which predominate over any individual questions; (c) the  
24 claims of the Plaintiffs are typical of the claims of the Class; (d) the Plaintiffs and their counsel have  
25 fairly and adequately represented and protected the interests of all of the Class Members; and (e) a class  
26 action is superior to other methods for the fair and efficient adjudication of the matter. Moreover, the  
27 prosecution of separate actions by individual members of the Class would create a risk of inconsistent  
28 adjudications which would establish incompatible standards of conduct for Defendants, and, as a

1 practical matter, the disposition of this Action will influence the disposition of any pending or future  
2 identical cases brought by other members of the Class, and there were allegations that defendants acted  
3 or refused to act on grounds generally applicable to the Class.

4 3. The Court does hereby preliminarily approve the Stipulation and the settlement set forth  
5 therein, subject to further consideration at the Settlement Hearing described below.

6 4. A hearing (the "Settlement Hearing") shall be held before this Court on \_\_\_\_\_,  
7 2016, at \_\_\_\_\_.m., at the Superior Court of the State of California, County of Santa Clara, Civil  
8 Division, 191 North First Street, San Jose, California 95113, to determine whether the proposed  
9 settlement of the Action on the terms and conditions provided for in the Stipulation is fair, reasonable  
10 and adequate to the Class and should be approved by the Court; and whether a Judgment as provided in  
11 ¶1.9 of the Stipulation should be entered herein. The Court may continue or adjourn the Settlement  
12 Hearing without further notice to Members of the Class.

13 5. The Court approves, as to form and content, the Notice of Settlement of Class Action  
14 (the "Notice") annexed as Exhibit A-1 hereto, and finds that the mailing and distribution of the Notice  
15 substantially in the manner and form set forth in ¶¶6 and 7 of this Order meet the requirements of §382  
16 of the California Code of Civil Procedure, California Rules of Court, Rule 3.766, and due process, and  
17 is the best notice practicable under the circumstances and shall constitute due and sufficient notice to all  
18 Persons entitled thereto.

19 6. Gilardi & Co. LLC ("Gilardi") is appointed to act as Notice Administrator to supervise  
20 and administer the notice procedure subject to such supervision and direction of Lead Counsel or the  
21 Court as may be necessary or the circumstances require as more fully set forth below. Defendants shall  
22 pay all reasonable costs and expenses in providing notice to the Class, including the costs of Gilardi and  
23 providing Lead Counsel or Gilardi with Pharmacyclics' relevant transfer records.

24 7. Not later than \_\_\_\_\_, 2016 (the "Notice Date"), the Notice Administrator shall  
25 cause a copy of the Notice substantially in the form annexed hereto as Exhibit A-1 to be mailed by first  
26 class mail to all Class Members who can be identified with reasonable effort; and

27 8. At least seven (7) calendar days prior to the Settlement Hearing, Lead Counsel shall file  
28 with the Court proof, by affidavit or declaration, of such mailing.

1           9.       Nominees who held Pharmacyclics common stock at any time between and including  
2 March 4, 2015, and May 26, 2015, the date of the closing of the Acquisition for the beneficial  
3 ownership of another shall mail the Notice to all such beneficial owners of such common stock within  
4 ten (10) days after receipt thereof or send a list of the names and addresses of such beneficial owners to  
5 the Notice Administrator with ten (10) days of receipt, in which event the Notice Administrator shall  
6 promptly mail the Notice to such beneficial owners.

7           10.       All Members of the Class shall be bound by all determinations and judgments in the  
8 Actions concerning the settlement, whether favorable or unfavorable to the Class.

9           11.       Any Class Member may enter an appearance in the Action, at their own expense,  
10 individually or through counsel of their own choice. If they do not enter an appearance, they will be  
11 represented by Lead Counsel.

12           12.       Pending final determination of whether the Settlement should be approved, Plaintiffs and  
13 all Members of the Class, and any of them, are barred and enjoined from commencing, prosecuting,  
14 continuing to prosecute, instigating or in any way participating in the commencement, prosecution or  
15 continued prosecution of any action asserting any Released Claims against any Released Persons. All  
16 proceedings in the Actions except for settlement-related proceedings are stayed until the settlement-  
17 related proceedings are concluded.

18           13.       Any Member of the Class may appear and show cause, if he, she or it has any reason  
19 why the settlement of the Action should or should not be approved as fair, reasonable and adequate, or  
20 why the Judgment should or should not be entered thereon provided, however, that no Class Member  
21 shall be heard or entitled to contest the approval of the terms and conditions of the proposed settlement,  
22 or, if approved, the Judgment to be entered thereon approving the same unless that Person has delivered  
23 by hand or sent by first class mail written objections and copies of any papers and briefs, such that they  
24 are received on or before \_\_\_\_\_, 2016, by Jeffrey D. Light, Robbins Geller Rudman & Dowd LLP,  
25 655 West Broadway, Suite 1900, San Diego, CA 92101; Stephen J. Oddo, Robbins Arroyo LLP, 600 B  
26 Street, Suite 1900, San Diego, CA 92101, and filed said objections, papers and briefs with the Santa  
27 Clara County Superior Court, Civil Division, 191 North First Street, San Jose, California 95113, on or  
28

1 before \_\_\_\_\_, 2016. A Class Member who does not file a written objection may appear and object at  
2 the Settlement Hearing.

3 14. All papers including memoranda or briefs in support of the settlement or attorneys' fees  
4 and expenses shall be filed and served fourteen (14) calendar days prior to the objection deadline in ¶13  
5 and any reply papers shall be filed and served seven (7) calendar days before the Settlement Hearing.

6 15. Neither the Stipulation, nor any of its terms or provisions, nor any of the negotiations or  
7 proceedings connected with it, shall be construed as an admission or concession by Defendants of the  
8 truth of any of the allegations in the Action, or of any liability, fault, or wrongdoing of any kind.

9 16. The Court reserves the right to adjourn the date of the Settlement Hearing without further  
10 notice to the Members of the Class, and retains jurisdiction to consider all further applications arising  
11 out of or connected with the proposed settlement. The Court may approve the settlement, with such  
12 modifications as may be agreed to by the Settling Parties, if appropriate, without further notice to the  
13 Class.

14 IT IS SO ORDERED.

15 DATED: \_\_\_\_\_

\_\_\_\_\_  
16 THE HONORABLE PETER KIRWAN  
17 SUPERIOR COURT JUDGE

18 Submitted by:

19 ROBBINS GELLER RUDMAN  
20 & DOWD LLP  
21 DAVID T. WISSBROECKER  
22 EDWARD M. GERGOSIAN  
23 JEFFREY D. LIGHT

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Attorneys for Plaintiffs

# **EXHIBIT A-1**



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10 Co-Lead Counsel for Plaintiffs

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
12 COUNTY OF SANTA CLARA

13 In re PHARMACYCLICS, INC. ) Lead Case No. 115-CV-278055  
SHAREHOLDER LITIGATION )  
14 ) (Consolidated with Nos. 1-15-CV-278088;  
\_\_\_\_\_) ) 1-15-CV-278215 and 1-15-CV-278260)  
15 This Document Relates To: )  
16 ) CLASS ACTION  
ALL ACTIONS. )  
17 ) NOTICE OF SETTLEMENT OF CLASS  
\_\_\_\_\_) ACTION

18 EXHIBIT A-1  
19 Judge: Hon. Peter H. Kirwan  
20 Dept: 1  
Date Action Filed: March 13, 2015

1 TO: ALL PERSONS OR ENTITIES WHO OWNED PHARMACYCLICS, INC.  
2 (“PHARMACYCLICS” OR THE “COMPANY”) COMMON STOCK AT ANY TIME  
3 BETWEEN AND INCLUDING MARCH 4, 2015, THROUGH AND INCLUDING THE  
4 CONSUMMATION OF THE ACQUISITION OF PHARMACYCLICS BY ABBVIE, INC.  
5 (“ABBVIE”) ON MAY 26, 2015

6 PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR  
7 RIGHTS MAY BE AFFECTED BY PROCEEDINGS IN THIS LITIGATION.

8 This Notice has been sent to you pursuant to an Order of the Santa Clara County Superior Court  
9 (the “Court”). The purpose of this Notice is to inform you of the proposed settlement of this class  
10 action litigation and of the hearing to be held by the Court to consider the fairness, reasonableness, and  
11 adequacy of the settlement. The terms of the Settlement are set forth in the Stipulation of Settlement  
12 dated as of January 22, 2016, which can be viewed at [www.\\_\\_\\_\\_\\_.com](http://www._____.com). This Notice describes  
13 the rights you may have in connection with the settlement and what steps you may take in relation to the  
14 settlement and this class action litigation.

15 This Notice is not an expression of any opinion by the Court about the merits of any of the  
16 claims or defenses asserted by any party in this Action or the fairness or adequacy of the proposed  
17 settlement.

## 18 I. THE LITIGATION

19 Beginning on March 13, 2015, the following class action lawsuits: *Evangelista v. Duggan, et al.*,  
20 No. 115CV278055 (the “*Evangelista Action*”); *Treppel v. Duggan, et al.*, No. 115CV278088 (the  
21 “*Treppel Action*”); *Wang v. Pharmacyclics, Ind., et al.*, No. 115CV278215 (the “*Wang Action*”); and  
22 *Wallach v. Pharmacyclics, Inc., et al.*, No. 115CV278260 (the “*Wallach Action*”) (collectively, the  
23 “*Actions*”), were filed in the Superior Court of the State of California for the County of Santa Clara (the  
24 “*Court*”).<sup>1</sup> These Actions were brought on behalf of classes of stockholders of Pharmacyclics, Inc.  
25 (“*Pharmacyclics*” or the *Company*”) against the *Company*, the members of its Board of Directors,  
26 AbbVie Inc. (“*Parent*”), Oxford Amherst Corporation, a Delaware corporation and direct wholly owned  
27 subsidiary of *Parent* (“*Purchaser*”), and Oxford Amherst LLC, a Delaware limited liability company and  
28 direct wholly owned subsidiary of *Parent* (“*Merger Sub*”) (*Merger Sub*, *Parent* and *Purchaser* are  
collectively referred to as “*AbbVie*”).

<sup>1</sup> The Actions were consolidated by the Court on January 19, 2016.

1 The Actions challenge the sale of Pharmacyclics to AbbVie pursuant to which AbbVie has  
2 commenced a tender offer to acquire all of the outstanding stock of Pharmacyclics for \$261.25 per  
3 share, which was first announced on March 4, 2015 (the “Acquisition”).

4 On or about March 23, 2015, the Company caused to be filed with the United States Securities  
5 and Exchange Commission (“SEC”) a Solicitation and Recommendation Statement on Schedule 14D-9  
6 (the “Recommendation Statement”), which included, *inter alia*, information concerning the background  
7 of the Acquisition, the process leading to the agreement to sell Pharmacyclics to AbbVie, and the  
8 financial analysis performed by the Company’s financial advisor.

9 On April 1, 2015, defendants provided to plaintiffs’ counsel for settlement purposes only certain  
10 confidential documents that were prepared in connection with the Acquisition.

11 On April 3, 2015, counsel for plaintiff Treppel sent a letter on behalf of plaintiffs in all of the  
12 Actions ( “Plaintiffs”) to defendants’ counsel demanding disclosure of allegedly material information  
13 contained in confidential documents produced by defendants (the “Treppel Demand Letter”).

14 On April 9, 2015, defendants’ counsel sent proposed supplemental disclosures to Plaintiffs’  
15 counsel, and engaged in arm’s-length negotiations over the proposed supplemental disclosures  
16 thereafter.

17 Counsel for all parties to the Actions have reached an agreement providing for the settlement of  
18 the Actions between and among Plaintiffs, on behalf of themselves and the Class (as defined below),  
19 and all defendants named in each of the Actions (“Defendants”), on the terms and subject to the  
20 conditions set forth below in this Stipulation.

21 Plaintiffs’ Counsel conducted an extensive investigation regarding Plaintiffs’ claims for  
22 injunctive and declaratory relief. Plaintiffs’ Counsel also reviewed and analyzed the documents  
23 produced by Defendants in consultation with their financial expert. Counsel for Plaintiffs and counsel  
24 for Defendants also engaged in arm’s-length negotiations regarding a possible resolution of the Actions.  
25 As a result of those negotiations, the parties entered into an agreement-in-principle to resolve the  
26 Actions. Thereafter, on April 16, 2015, the parties to the Actions executed a Memorandum of  
27 Understanding (“MOU”). On or about April 17, 2015, in connection with the contemplated settlement  
28

1 of the Actions, Pharmacyclics issued the supplemental disclosures previously negotiated with Plaintiffs  
2 on SEC Schedule 14D-9 Amendment No. 1 (the “Supplemental Disclosures”).

3 Prior to entering into the Stipulation, Plaintiffs conducted substantial confirmatory analysis,  
4 which included the review of additional documents produced by Defendants, and the depositions of  
5 Daniel Faga from Centerview Partners LLC (“Centerview”) and Mike Gaito from J.P. Morgan.  
6 Centerview and J.P. Morgan each issued fairness opinions in connection with the Acquisition.

7 The settlement set forth in the Stipulation reflects the results of the parties’ negotiations and the  
8 terms of the MOU. An agreement-in-principle was reached only after arm’s-length negotiations  
9 between the parties who were all represented by counsel with extensive experience and expertise in  
10 shareholder class action litigation. During the negotiations, all parties had a clear view of the strengths  
11 and weaknesses of their respective claims and defenses. Plaintiffs and their counsel have concluded  
12 that the additional disclosures provided Pharmacyclics shareholders with material information sufficient  
13 to make an informed decision whether to vote their shares in favor of the Acquisition or seek appraisal  
14 of their Pharmacyclics shares. As a result, Plaintiffs and their counsel believe that the settlement is in  
15 the best interest of the Class.

16 **II. TERMS OF THE PROPOSED SETTLEMENT**

17 1. As a direct result of the prosecution of the Actions and the extensive ongoing  
18 negotiations between the Settling Parties, a settlement has been reached under the following terms:

19 (a) Pharmacyclics has made additional disclosures concerning the Acquisition by  
20 filing a Schedule 14D-9 with the SEC on or about April 17, 2015 (the “Supplemental Disclosures”),<sup>2</sup>  
21 which included additional information regarding the Acquisition, including:

22 (i) potential conflicts of interest of Pharmacyclics directors and executive  
23 officers in connection with the Acquisition;

24 (ii) the reasons for the Pharmacyclics board of directors recommendation of  
25 the Acquisition;

26 \_\_\_\_\_  
27 <sup>2</sup> The entire Schedule 14D-9 is attached to the Stipulation as Exhibit C and can be viewed at  
28 [www.\\_\\_\\_\\_\\_.com](http://www._____.com).

1 (iii) the background of the Acquisition including why the board of directors  
2 believed that combining with a larger company might be the most effective way to maximize value to  
3 Pharmacyclics shareholders;

4 (iv) discussions Pharmacyclics and its financial advisors had with other  
5 potential bidders or strategic partners;

6 (v) Pharmacyclics' board of directors' consideration of strategic alternatives  
7 for Pharmacyclics including partnership with other participants in the pharmaceuticals industry,  
8 strategic licensing transactions and possible mergers with other pharmaceutical companies;

9 (vi) the effect of the Acquisition on options held by Pharmacyclics directors  
10 and executives;

11 (vii) the financial projections of Pharmacyclics for calendar years 2015-2028,  
12 and how those projections were calculated;

13 (viii) the fairness opinion of Centerview Partners LLC ("Centerview"), one of  
14 the financial advisors to the Pharmacyclics Board, including its Selected Comparable Public Company  
15 Analysis, Selected Precedent Transactions Analysis, and Discounted Cash Flow Analysis;

16 (ix) the fairness opinion of J.P. Morgan, Pharmacyclics' financial advisor,  
17 including its Public Trading Analysis Implied Equity Value for Pharmacyclics, Selected Transaction  
18 Analysis, and Discounted Cash Flow Analysis.

19 (b) Pharmacyclics or its successor(s) has also agreed to pay, or cause to be paid to,  
20 Plaintiffs' Counsel \$725,000, for their attorneys' fees and expenses, subject to Court approval. This  
21 negotiated amount was agreed to after the MOU was executed. The settlement, however, is not  
22 conditioned on the Court awarding such an amount, or any particular amount, of attorneys' fees and  
23 expenses.

### 24 **III. REASONS FOR THE SETTLEMENT**

25 Plaintiffs and their counsel believe that the claims asserted in the Actions have merit. However,  
26 Plaintiffs' Counsel recognize and acknowledge the expense and length of continued proceedings  
27 necessary to prosecute the Actions against Defendants through trial and through appeals. Plaintiffs'  
28 Counsel have also taken into account the uncertain outcome and the risk of any litigation, especially in

1 complex cases such as the Actions, as well as the difficulties and delays inherent in such litigation.  
2 Plaintiffs' Counsel are also mindful of the inherent problems of proof and possible defenses to the  
3 claims asserted in the Actions. Plaintiffs' Counsel believe that the Settlement set forth in this  
4 Stipulation confers substantial benefits upon the Class. Based on their evaluation, Plaintiffs' Counsel  
5 have determined that the Settlement set forth in this Stipulation is in the best interests of Plaintiffs and  
6 the Class.

7 Defendants have denied and continue to deny each and all of the claims and contentions alleged  
8 by the Plaintiffs in the Actions. Defendants have expressly denied and continue to deny all charges of  
9 wrongdoing or liability against them as alleged in the complaints and the Actions, and specifically deny  
10 any breach of fiduciary duty, or that the Acquisition materials provided to Pharmacylics shareholders  
11 were incomplete or in any way misleading, or that any additional disclosure was required under the  
12 SEC rules or any applicable legal principle. Defendants do not concede that the information contained  
13 in the Supplemental Disclosure is material. Defendants have also denied and continue to deny, *inter*  
14 *alia*, the allegations that Plaintiffs or the Class have suffered damage or that Plaintiffs or the Class were  
15 harmed by the conduct alleged in the Actions.

16 Nonetheless, Defendants have concluded that further litigation could be protracted and  
17 expensive, and, to avoid the distraction, costs, and disruption of such litigation, Defendants concluded  
18 that it is desirable that the Actions be fully and finally settled in the manner and upon the terms and  
19 conditions set forth in this Stipulation. Defendants have also taken into account the uncertainty and  
20 risks inherent in any litigation, especially in complex cases like the Actions. Defendants have,  
21 therefore, determined that it is desirable and beneficial to them that the Actions be settled in the manner  
22 and upon the terms and conditions set forth in this Stipulation.

23 **IV. NOTICE OF HEARING ON PROPOSED SETTLEMENT**

24 A settlement hearing will be held on \_\_\_\_\_, 2016, at \_\_\_\_\_.m., before the Honorable  
25 Peter Kirwan, Superior Court Judge, at the Santa Clara County Superior Court, 191 North First Street,  
26 San Jose, CA 95113 (the "Settlement Hearing"). The purpose of the Settlement Hearing will be to  
27 determine: (a) whether the settlement should be approved as fair, reasonable and adequate; and (b)  
28

1 whether the Judgment should be entered. The Court may adjourn or continue the Settlement Hearing  
2 without further notice of any kind.

3 **V. DEFINITIONS USED IN THIS NOTICE**

4 1. “AbbVie” means AbbVie, Inc. and any of its predecessors, successors, parents,  
5 subsidiaries, divisions, or affiliates.

6 2. “Acquisition” means the sale of Pharmacyclics to AbbVie pursuant to which AbbVie  
7 acquired all of the outstanding stock of Pharmacyclics for \$261.25 per share.

8 3. “Class” means, for settlement purposes only, a non-opt-out class, defined as all Persons  
9 who owned Pharmacyclics stock, either of record or beneficially, at any time between and including  
10 March 4, 2015, and May 26, 2015, the date of the closing of the Acquisition, including any and all of  
11 their respective successors in interest, predecessors, representatives, trustees, executors, administrators,  
12 heirs, agents, assigns and transferees, immediate and remote, and any person or entity acting for or on  
13 behalf of, or claiming under, any of them, and each of them. Excluded from the Class are Defendants,  
14 members of the immediate family of any Defendant, any entity in which a Defendant has or had a  
15 controlling interest, officers of Pharmacyclics and the legal representatives, heirs, successors or assigns  
16 of any such excluded Person.

17 4. “Class Member” or “Member of the Class” mean a Person who falls within the definition  
18 of the Class as set forth in ¶1.3 of this Stipulation.

19 5. “Defendants” means Pharmacyclics, AbbVie, Oxford, Amherst Corporation, Oxford  
20 Amherst LLP, Robert W. Duggan, Eric H. Halverson, Kenneth Clark, Minesh Mehta, David D. Smith  
21 and Richard A. van den Broek.

22 6. “Effective Date” means the first date by which all of the events and conditions specified  
23 in ¶6.1 hereof have been met and have occurred.

24 7. “Final” means: (i) the date of final affirmance on an appeal of the Judgment, the  
25 expiration of the time for a petition for or a denial of a writ of certiorari to review the Judgment and, if  
26 certiorari is granted, the date of final affirmance of the Judgment following review pursuant to that  
27 grant; or (ii) the date of final dismissal of any appeal from the Judgment or the final dismissal of any  
28 proceeding on certiorari to review the Judgment; or (iii) if no appeal is filed, the expiration date of the

1 time for the filing or noticing of any appeal from the Court’s Judgment approving the Stipulation,  
2 substantially in the form of Exhibit B attached hereto.

3 8. “Individual Defendants” means Robert W. Duggan, Eric H. Halverson, Kenneth Clark,  
4 Minesh Mehta, David D. Smith and Richard A. van der Broek.

5 9. “Judgment” means the judgment to be rendered by the Court, substantially in the form  
6 attached hereto as Exhibit B.

7 10. “Lead Counsel” means Robbins Geller Rudman & Dowd LLP, David T. Wissbroecker,  
8 655 West Broadway, Suite 1900, San Diego, CA 92101 and Robbins Arroyo LLP, Stephen J. Oddo,  
9 600 B Street, Suite 1900, San Diego, CA 92101.

10 11. “Person” means an individual, corporation, partnership, limited partnership, limited  
11 liability company or partnership, association, joint stock company, estate, legal representative, trust,  
12 unincorporated association, government or any political subdivision or agency thereof, and any business  
13 or legal entity and their spouses, heirs, predecessors, successors, representatives, or assignees.

14 12. “Pharmacyclics” means Pharmacyclics and any of its predecessors, successors, parents,  
15 subsidiaries, divisions, or affiliates.

16 13. “Plaintiffs” means any plaintiff who appeared in the Actions.

17 14. “Plaintiffs’ Counsel” means any counsel who has appeared for any plaintiff in the  
18 Actions.

19 15. “Released Claims” shall collectively mean the complete discharge, dismissal with  
20 prejudice on the merits, release, bar and settlement, to the fullest extent permitted by law, of all known  
21 and Unknown Claims (as defined below), demands, rights, actions, causes of action, liabilities,  
22 damages, losses, obligations, judgments, duties, suits, costs, expenses, matters and issues of every  
23 nature and description whatsoever, whether or not concealed or hidden, contingent or absolute,  
24 suspected or unsuspected, disclosed or undisclosed, liquidated or unliquidated, matured or unmatured,  
25 accrued or unaccrued, apparent or unapparent, against any Released Person that have been, could have  
26 been or in the future can or might be asserted in the Actions or in any other court, tribunal or other  
27 proceeding by or on behalf of any of the Plaintiffs or any member of the Class, whether class,  
28 individual, direct, derivative, representative, legal, equitable or any other type or in any other capacity,



1 whether arising under state, federal, foreign, statutory, common law or regulatory law (including, but  
2 not limited to, the federal securities laws and any state disclosure law), that relates to, is in connection  
3 with, or are based upon or otherwise concern in any manner, directly or indirectly: (i) the claims or  
4 allegations in the Actions; (ii) the Acquisition, any agreements related to the Acquisition and the  
5 transactions contemplated therein; (iii) any compensation, consideration or other payments made to any  
6 Released Person in connection with the Acquisition; (iv) any disclosures or alleged failure to disclose,  
7 with or without scienter, with respect to the Acquisition, including, but not limited to, claims or  
8 allegations based upon, arising from, or related to the Schedule 14D-9, Schedule TO, related Offer to  
9 Purchase, the Recommendation Statement and other tender offer documents, in each case as amended,  
10 as well as the Supplemental Disclosures; and (v) any alleged aiding and abetting of the foregoing  
11 (collectively, the “Settled Claims”); provided, however, that the Settled Claims shall not include the  
12 right of the Plaintiffs or any members of the Class to enforce in the Court the terms of the Stipulation or  
13 any properly perfected claims for appraisal in connection with the Acquisition, provided such an  
14 appraisal right is otherwise available to them under 8 Del. Code §262.

15       16.     “Released Persons” shall collectively mean any Defendant and any Defendant’s  
16 respective past, present and future predecessors, successors-in-interest, parents, subsidiaries, controlling  
17 persons, partners, members, stockholders, affiliates, funds, representatives, agents, trustees, insurers,  
18 executors, heirs, spouses, marital communities, families, assigns or transferees and any past, present and  
19 future person or entity acting for or on behalf of any of them and each of them, and each and all of their  
20 past, present and future predecessors, successors-in-interest, parents, subsidiaries, partners, members,  
21 stockholders, affiliates, funds, representatives, agents, trustees, insurers, executors, heirs, spouses,  
22 marital communities, families, assigns or transferees and any person or entity acting for or on behalf of  
23 any of them and each of them (including, without limitation, any investment bankers, accountants,  
24 insurers, reinsurers or attorneys and any past, present or future officers, directors, employees and  
25 stockholders of any of them).

26       17.     “Settling Parties” means, collectively, each of the Defendants and the Plaintiffs on behalf  
27 of themselves and the Members of the Class.

28

1 18. "Unknown Claims" means any claim, cause of action, damage or harm with respect to  
2 the Released Claims which Plaintiffs and/or Class Members do not know or suspect to exist at the time  
3 of the release of the Released Persons which, if known by him, her or it, might have affected his, her or  
4 its settlement with and release of the Released Persons, or might have affected his, her or its decision  
5 not to object to this Settlement. With respect to any and all Released Claims, the Settling Parties  
6 stipulate and agree that, upon the Effective Date, Plaintiffs shall expressly, and each of the Class  
7 Members shall be deemed to have, and by operation of the Judgment shall have, waived and  
8 relinquished, to the fullest extent permitted by law, the provisions, rights, and benefits of California  
9 Civil Code §1542, which provides:

10 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE  
11 CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR  
12 AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR  
HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH  
THE DEBTOR.

13 Upon the Effective Date, Plaintiffs and each of the Class Members shall be deemed to have, and by  
14 operation of the Judgment shall have, expressly waived any and all provisions, rights, and benefits  
15 conferred by any law of any state or territory of the United States, any federal law or regulation, or any  
16 principle of common law or international or foreign law, which is similar, comparable or equivalent to  
17 California Civil Code §1542. Plaintiffs and Class Members may hereafter discover facts in addition to  
18 or different from those which he, she or it now knows or believes to be true with respect to the subject  
19 matter of the Released Claims, but Plaintiffs shall expressly have and each Class Member, upon the  
20 Effective Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and  
21 forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected,  
22 contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have  
23 existed, upon any theory of law or equity now existing or coming into existence in the future, including,  
24 but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any  
25 duty, law or rule, without regard to the subsequent discovery or existence of such different or additional  
26 facts. The Settling Parties acknowledge, and the Class Members shall be deemed by operation of the  
27 Judgment to have acknowledged, that the foregoing waiver was separately bargained for and a material  
28 element of the Settlement of which this release is a part.

1 **VI. ORDER CERTIFYING A CLASS FOR PURPOSES OF SETTLEMENT**

2 On \_\_\_\_\_, 2016, the Court certified the Class for purposes of settlement as defined  
3 above.

4 **VII. DISMISSAL AND RELEASES**

5 If the proposed settlement is approved, the Court will enter the Judgment. The Judgment will  
6 release the Released Claims as to the Released Persons.

7 The Judgment will provide that all Class Members shall be deemed to have released and forever  
8 discharged all Released Claims against all Released Persons, and will be barred from asserting any of  
9 the Released Claims in the future, unless the settlement is canceled or terminated pursuant to the terms  
10 of the Stipulation.

11 **VIII. CONDITIONS FOR SETTLEMENT**

12 The settlement is conditioned upon the occurrence of certain events. Those events include,  
13 among other things: (1) entry of the Judgment by the Court, as provided for in the Stipulation; and (2)  
14 expiration of the time to appeal from or alter or amend the Judgment. If, for any reason, any one of the  
15 conditions described in the Stipulation is not met, the Stipulation might be terminated and, if  
16 terminated, will become null and void, and the parties to the Stipulation will be restored to their  
17 respective positions prior to the settlement.

18 **IX. THE RIGHT TO BE HEARD AT THE HEARING**

19 Any Class Member may, but is not required to, enter an appearance in the Action and be  
20 represented by counsel of his, her or its choice and at his, her or its expense. Any Class Member who  
21 does not enter an appearance will be represented by the attorneys for the Plaintiffs listed below. Any  
22 Class Member who objects to any aspect of the settlement including the award of attorneys' fees and  
23 expenses may appear and be heard at the Settlement Hearing. Any such Person must submit a written  
24 notice of objection, mailed or hand delivered such that it is *filed* on or before \_\_\_\_\_, 2016, with  
25 the:

26 CLERK OF THE COURT  
27 Superior Court of California  
28 County of Santa Clara  
191 North First Street  
San Jose, CA 95113

1 The written notice of objection must also be received no later than \_\_\_\_\_, 2016, by the  
2 following counsel:

3 ROBBINS GELLER RUDMAN  
4 & DOWD LLP  
5 JEFFREY D. LIGHT  
6 655 West Broadway, Suite 1900  
7 San Diego, CA 92101

8 ROBBINS ARROYO LLP  
9 STEPHEN J. ODDO  
10 600 B Street, Suite 1900  
11 San Diego, CA 92101

12 Counsel for Plaintiffs

13 The notice of objection must demonstrate the objecting Person's membership in the Class, and contain a  
14 statement of the reasons for objection. A Class Member who *does not* file a written objection may  
15 appear and object at the Settlement Hearing.

16 **X. NOTICE TO PERSONS OR ENTITIES HOLDING RECORD OWNERSHIP  
17 ON BEHALF OF OTHERS**

18 If you hold or held any Pharmacyclics common stock at any time between and including March  
19 4, 2015 and including May 26, 2015, the date of the closing of the Acquisition, as nominee for a  
20 beneficial owner, then, within ten (10) calendar days after you receive this Notice, you must either:  
21 (1) send a copy of this Notice by first class mail to all such Persons; or (2) provide a list of the names  
22 and addresses of such Persons to the Notice Administrator:

23 *Pharmacyclics Shareholder Litigation*  
24 Notice Administrator  
25 c/o Gilardi & Co. LLC  
26 P.O. Box 8040  
27 San Rafael, CA 94912-8040

28 If you choose to mail the Notice yourself, you may obtain from the Notice Administrator  
(without cost to you) as many additional copies of these documents as you will need to complete the  
mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing  
performed for you, you may obtain reimbursement for, or advancement of, reasonable administrative  
costs actually incurred or expected to be incurred in connection with forwarding the Notice and which

1 would not have been incurred but for the obligation to forward the Notice, upon submission of  
2 appropriate documentation to the Notice Administrator.

3 **XI. EXAMINATION OF PAPERS**

4 This Notice is a summary and does not describe all of the details of the Stipulation. For full  
5 details of the matters discussed in this Notice, you may desire to review the Stipulation filed with the  
6 Court, which may be inspected during business hours, at the office of the Clerk of the Court, Santa  
7 Clara County Superior Court, 191 North First Street, San Jose, CA 95113.

8 For further information regarding this settlement you may contact: Robbins Geller Rudman &  
9 Dowd LLP, c/o Shareholder Relations, 655 West Broadway, Suite 1900, San Diego, California 92101,  
10 Telephone: 800-449-4900 or you may view the Stipulation and all of its exhibits on  
11 [www.\\_\\_\\_\\_\\_.com](http://www._____.com).

12 **DO NOT TELEPHONE THE COURT OR THE CLERK'S OFFICE REGARDING THIS**  
13 **NOTICE.**

14 DATED: \_\_\_\_\_

BY ORDER OF THE COURT  
STATE OF CALIFORNIA  
COUNTY OF SANTA CLARA

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# **EXHIBIT B**

1 ROBBINS GELLER RUDMAN  
& DOWD LLP  
2 DAVID T. WISSBROECKER (243867)  
EDWARD M. GERGOSIAN (105679)  
3 JEFFREY D. LIGHT (159515)  
655 West Broadway, Suite 1900  
4 San Diego, CA 92101  
Telephone: 619/231-1058  
5 619/231-7423 (fax)

6 ROBBINS ARROYO LLP  
BRIAN J. ROBBINS (190264)  
7 STEPHEN J. ODDO (174828)  
600 B Street, Suite 1900  
8 San Diego, CA 92101  
Telephone: 619/525-3990  
9 619/525-3991 (fax)

10 Co-Lead Counsel for Plaintiffs

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA  
12 COUNTY OF SANTA CLARA

13 In re PHARMACYCLICS, INC. ) Lead Case No. 115-CV-278055  
SHAREHOLDER LITIGATION )  
14 ) (Consolidated with Nos. 1-15-CV-278088;  
\_\_\_\_\_ ) 1-15-CV-278215 and 1-15-CV-278260)

15 This Document Relates To: )  
16 ) CLASS ACTION  
ALL ACTIONS. )  
17 \_\_\_\_\_ ) [PROPOSED] FINAL JUDGMENT

18 EXHIBIT B  
19 Judge: Hon. Peter H. Kirwan  
Dept: 1  
20 Date Action Filed: March 13, 2015

1 This matter came before the Court for hearing pursuant to the Order of this Court, dated  
2 \_\_\_\_\_, 2015, on the application of the Settling Parties for approval of the settlement set forth in  
3 the Stipulation of Settlement dated as of January 22, 2016 (the “Stipulation”). Due and adequate notice  
4 having been given to the Class as required in said Order, and the Court having considered all papers  
5 filed and proceedings had herein and otherwise being fully informed in the premises and good cause  
6 appearing therefore, IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:

7 1. This Judgment incorporates by reference the definitions in the Stipulation, and all terms  
8 used herein shall have the same meanings as set forth in the Stipulation.

9 2. This Court has jurisdiction over the subject matter of the Actions and over all parties to  
10 the Actions, including all Members of the Class.

11 3. Pursuant to §382 of the California Code of Civil Procedure, the Court hereby certifies,  
12 for settlement purposes only, a non-opt-out class, defined as all Persons who owned Pharmacyclics  
13 stock, either of record or beneficially, at any time between and including March 4, 2015, and May 26,  
14 2015, the date of the closing of the Acquisition, including any and all of their respective successors in  
15 interest, predecessors, representatives, trustees, executors, administrators, heirs, agents, assigns and  
16 transferees, immediate and remote, and any person or entity acting for or on behalf of, or claiming  
17 under, any of them, and each of them. Excluded from the Class are Defendants, members of the  
18 immediate family of any Defendant, any entity in which a Defendant has or had a controlling interest,  
19 officers of Pharmacyclics and the legal representatives, heirs, successors or assigns of any such  
20 excluded Person.

21 4. With respect to the Class, this Court finds and concludes that: (a) the members of the  
22 class are so numerous that joinder of all class members in the Action is impracticable; (b) there are  
23 questions of law and fact common to the class which predominate over any individual questions; (c) the  
24 claims of the Plaintiffs are typical of the claims of the Class; (d) the Plaintiffs and their counsel have  
25 fairly and adequately represented and protected the interests of all of the Class Members; and (e) a class  
26 action is superior to other methods for the fair and efficient adjudication of the matter. Moreover, the  
27 prosecution of separate actions by individual members of the Class would create a risk of inconsistent  
28 adjudications which would establish incompatible standards of conduct for Defendants, and, as a



1 practical matter, the disposition of this Action will influence the disposition of any pending or future  
2 identical cases brought by other members of the Class, and there were allegations that Defendants acted  
3 or refused to act on grounds generally applicable to the Class.

4 5. This Court hereby approves the settlement set forth in the Stipulation and finds that said  
5 settlement is, in all respects, fair, reasonable and adequate to each of the Settling Parties, and the  
6 Settling Parties are hereby directed to perform its terms.

7 6. Upon the Effective Date hereof, the Plaintiffs and each of the Class Members shall be  
8 deemed to have, and by operation of this Judgment shall have, fully, finally, and forever released,  
9 relinquished, and discharged all Released Claims against the Released Persons.

10 7. All Class Members are hereby forever barred and enjoined from prosecuting the  
11 Released Claims (including Unknown Claims) against the Released Persons.

12 8. Upon the Effective Date, each of the Released Persons shall be deemed to have, and by  
13 operation of the Judgment shall have, fully, finally, and forever released, relinquished, and discharged  
14 Plaintiffs, each and all of the Class Members, and counsel to the Plaintiffs from all claims, demands,  
15 rights, actions or causes of action, liabilities, damages, losses, obligations, judgments, suits, fees,  
16 expenses, costs, matters and issues of any kind or nature whatsoever, whether known or unknown,  
17 contingent or absolute, suspected or unsuspected, disclosed or undisclosed, hidden or concealed,  
18 matured or unmatured, based upon or arising out of the institution, prosecution, assertion, settlement or  
19 resolution of the Actions or the Released Claims. By operation of the entry of the Judgment, upon the  
20 Effective Date, the Released Persons shall be deemed to have waived any and all rights and benefits  
21 which they now have, or in the future may have with respect to the claims released by this ¶8 by virtue  
22 of the provisions of §1542 of the California Civil Code and any other similar law or provision which  
23 section provides as follows:

24 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE  
25 CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR  
26 AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR  
HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH  
THE DEBTOR.

27 Provided, however, that such release shall not affect any claims to enforce the terms of the Stipulation  
28 or the Settlement.

1           9.       The Notice of Settlement of Class Action given to the Class was the best notice  
2 practicable under the circumstances, including the individual notice to all Members of the Class who  
3 could be identified through reasonable effort. Said notice provided the best notice practicable under the  
4 circumstances of those proceedings and of the matters set forth therein, including the proposed  
5 settlement set forth in the Stipulation, to all Persons entitled to such notice, and said notice fully  
6 satisfied the requirements of §382 of the California Code of Civil Procedure, California Rules of Court,  
7 Rule 3.766, and the requirements of due process.

8           10.       The Court orders that Pharmacyclics or its successor(s) shall pay, or cause to be paid, the  
9 sum of \$725,000 in attorneys' fees and expenses to Robbins Geller Rudman & Dowd LLP in  
10 accordance with, and subject to the terms and conditions of ¶¶5.1-5.2 of the Stipulation.

11           11.       During the course of the Action, all Settling Parties and their counsel complied with  
12 California Code of Civil Procedure §§128.5 and 128.7.

13           12.       Neither the Stipulation nor the settlement contained therein, nor any act performed or  
14 document executed pursuant to or in furtherance of the Stipulation or the settlement: (i) is or may be  
15 deemed to be or may be used as an admission of, or evidence of, the validity or lack thereof of any  
16 Released Claim, or of any wrongdoing or liability of the Defendants; or (ii) is or may be deemed to be  
17 or may be used as an admission of, or evidence of, any fault or omission of any of the Defendants in  
18 any civil, criminal or administrative proceeding in any court, administrative agency or other tribunal.  
19 Defendants may file the Stipulation and/or this Judgment in any action that may be brought against  
20 them in order to support a defense or counterclaim based on principles of *res judicata*, collateral  
21 estoppel, release, good faith settlement, judgment bar or reduction, or any theory of claim preclusion or  
22 issue preclusion or similar defense or counterclaim.

23           13.       Without affecting the finality of this Judgment in any way, this Court hereby retains  
24 continuing jurisdiction over: (a) implementation of this settlement; and (b) all parties hereto for the  
25 purpose of construing, enforcing and administering the Stipulation.

26           14.       In the event that the settlement does not become effective in accordance with the terms  
27 of the Stipulation, then this Judgment shall be rendered null and void to the extent provided by and in  
28 accordance with the Stipulation and shall be vacated and, in such event, all orders entered and releases

1 delivered in connection herewith shall be null and void to the extent provided by and in accordance with  
2 the Stipulation.

3  
4 DATED: \_\_\_\_\_

\_\_\_\_\_  
THE HONORABLE PETER KIRWAN  
SUPERIOR COURT JUDGE

5 Submitted by:  
6 ROBBINS GELLER RUDMAN  
7 & DOWD LLP  
8 DAVID T. WISSBROECKER  
9 EDWARD M. GERGOSIAN  
10 JEFFREY D. LIGHT

11 \_\_\_\_\_  
DAVID T. WISSBROECKER

12 655 West Broadway, Suite 1900  
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14 Telephone: 619/231-1058  
619/231-7423 (fax)

15 ROBBINS ARROYO LLP  
16 BRIAN J. ROBBINS  
STEPHEN J. ODDO  
17 600 B Street, Suite 1900  
San Diego, CA 92101  
18 Telephone: 619/525-3990  
619/525-3991 (fax)

19 Attorneys for Plaintiffs  
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# **EXHIBIT C**

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, DC 20549

**SCHEDULE 14D-9**  
(Amendment No. 1)  
(RULE 14d-101)

**SOLICITATION/RECOMMENDATION STATEMENT  
UNDER SECTION 14(d)(4) OF THE SECURITIES EXCHANGE ACT OF 1934**

---

**PHARMACYCLICS, INC.**  
(Name of Subject Company)

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**PHARMACYCLICS, INC.**  
(Name of Persons Filing Statement)

**Common Stock, par value \$0.0001 per share**  
(Title of Class of Securities)

716933106  
(CUSIP Number of Class of Securities)

---

**Robert W. Duggan**  
**Chairman and Chief Executive Officer**  
**995 E. Arques Avenue**  
**Sunnyvale, California 94085-4521**  
**(408) 774-0330**

(Name, address and telephone numbers of person authorized to receive notices and communications on behalf of the persons filing statement)

*With copies to:*  
**Robert T. Ishii, Esq.**  
**Denny Kwon, Esq.**  
**Wilson Sonsini Goodrich & Rosati, P.C.**  
**One Market Place**  
**Spear Tower, Suite 3300**  
**San Francisco, California 94105**  
**(415) 947-2000**

Check the box if the filing relates solely to preliminary communications made before the commencement of a tender offer.

## PURPOSE OF AMENDMENT

This Amendment No. 1 (this “*Amendment No. 1*”) amends and supplements the Solicitation/Recommendation Statement on Schedule 14D-9 of Pharmacyclics, Inc. (“*Pharmacyclics*”) filed with the Securities and Exchange Commission (the “*SEC*”) on March 23, 2015 (as heretofore amended or supplemented from time to time, the “*Schedule 14D-9*”). The Schedule 14D-9 relates to the tender offer by Oxford Amherst Corporation, a Delaware corporation (the “*Offeror*”) and a direct wholly owned subsidiary of AbbVie Inc., a Delaware corporation (“*AbbVie*”), as disclosed in the Tender Offer Statement on Schedule TO (together with the exhibits thereto, as amended, the “*Schedule TO*”), filed by the Offeror and AbbVie with the SEC on March 23, 2015, pursuant to which the Offeror has offered to acquire all of the issued and outstanding shares of common stock, \$0.0001 par value per share, of Pharmacyclics (the “*Pharmacyclics shares*”). The terms and conditions of the offer are set forth in AbbVie’s prospectus/offer to exchange, which is part of a Registration Statement on Form S-4 that AbbVie has filed on March 23, 2015 with the SEC, and which, with the related letter of election and transmittal, together constitute the “*offer*.”

Except as otherwise set forth below, the information set forth in the Schedule 14D-9 remains unchanged and is incorporated by reference as relevant to the items in this Amendment No. 1. Capitalized terms used and not defined herein shall have the meanings assigned to such terms in the Schedule 14D-9. This Amendment No. 1 is being filed to reflect certain updates as set forth below.

### Item 4. The Solicitation or Recommendation.

Item 4 of the Schedule 14D-9 is hereby amended and supplemented as follows:

1. By deleting the number “118,888,411” in the table on page 7 and replacing it with the number “111,888,411”.
2. By inserting the following immediately before the last full paragraph on page 23:

“Management estimated financial projections for calendar years 2015-2028 based on, in part, industry historical success rates for investigational drugs as set forth in Hays et al, “Clinical Development Success Rates for Investigational Drugs.” Nature Biotechnology, 2014 (the “*Hays Study*”). Among other factors, key contributing factors influencing the probability of clinical success included the status of the clinical program, existing pre-clinical proof in vitro and in vivo, clinical phase of the development, line of therapy and use in patients, existing status of regulatory filing, existing standards of care and the cost benefit analysis, emergence of new therapies and their expected results and approvals, reimbursement, observed patient benefits and outcomes, probability of adverse events, duration of patient benefits and therapy, patent expiry, and potential for patent term extension.

The probability of success using the influencing factors as discussed above ranged across the 18 potential indications from as low as 13% to as high as 100% depending on the application of the factors above to the particular indication.

Many industry analysts use a model that assumes that generally 60% of revenues for cancer therapies will be attributable to US sales and 40% attributable to sales outside the United States (“*OUS*”). The actual split for any cancer therapy depends on numerous variables such as the number of patients living in each market, the standards of care, pricing, insurance coverage in each market, the forecasted period and many other influencing factors. The incidence of patients within the major histologies pursued by IMBRUVICA® (ibrutinib) is 83,700 patients in the US versus 100,400 patients OUS as shown in our corporate deck located on our website at [http://files.shareholder.com/downloads/PCYC/3996190197x0x779048/306E0AD1-EA5E-4122-9069-5B7EA5A868BE/Corporate\\_Presentation.PDF](http://files.shareholder.com/downloads/PCYC/3996190197x0x779048/306E0AD1-EA5E-4122-9069-5B7EA5A868BE/Corporate_Presentation.PDF). Adjusting these numbers by a 2014 assessed 30% price differential for established drugs used in Western countries, the total available market US versus OUS is 55% versus 45% in the G6 countries. (See page 35 of the IMS 2014 global oncology trend report for the price differential US/EU).

Generally the percentages of US revenue and OUS revenue in projections used ranged from approximately 42-68% for the US markets and 32-58% for the OUS markets. With respect to IMBRUVICA® (ibrutinib), however, 100% of the revenue from OUS sales is recorded as revenue by Janssen pursuant to the

collaboration agreement. Any revenue recorded by Pharmacyclics with respect to OUS sales of IMBRUVICA® (ibrutinib) is calculated as 50% of the overall commercial profit with respect to OUS sales of IMBRUVICA® (ibrutinib). As a result, Pharmacyclics' share of the revenue from OUS sales with respect to IMBRUVICA® (ibrutinib) is less than the percentages noted above for revenue from OUS sales with respect to IMBRUVICA® (ibrutinib).

IMBRUVICA® (ibrutinib) product revenue assumptions were based on key contributing factors influencing the probability of clinical success and use such as, among others, the status of the clinical program, existing pre-clinical proof in vitro and in vivo, clinical phase of the development, line of therapy and use in patients, existing status of regulatory filing, existing standards of care and the cost benefit analysis, emergence of new therapies and their expected results and approvals, reimbursement, observed patient benefits and outcomes, probability of adverse events, duration of patient benefits and therapy, patent expiry, and potential for patent term extension.

Management calculated financial projections for calendar years 2015-2028 based on industry historical success rates for investigational drugs as set forth in the Hays Study.

Management calculated the probability of success using the influencing factors across the 18 potential indications to be as low as 13%, as high as 100% or somewhere in between based on the indication.”

- By deleting the “.” at the end of the last full paragraph on page 29 and replacing it in its entirety with the following:  
“, as set forth below.

<u>Company</u>	<u>Revenue Multiple</u>		<u>EPS Multiple</u>
	<u>2016E</u>	<u>2017E</u>	<u>2017E</u>
Alexion Pharmaceuticals, Inc.	11.1x	9.2x	20.8x
Vertex Pharmaceuticals Incorporated	10.5x	7.5x	17.6x
BioMarin Pharmaceutical Inc.	16.4x	12.6x	NM
Incyte Corporation	17.8x	14.3x	39.6x
UCB S.A.	4.0x	3.7x	18.8x
Actelion Ltd.	6.5x	5.8x	17.9x
Jazz Pharmaceuticals Public Limited Company	7.4x	6.5x	12.6x
Medivation, Inc.	9.4x	7.5x	20.5x
United Therapeutics Corporation	4.3x	4.1x	12.3x
Seattle Genetics, Inc.	10.7x	8.6x	NM

Companies that had an earnings per share multiple greater than 50.0x were excluded from the summary statistics above as outliers (which are indicated above as “*NM*”).”

- By deleting the phrase “These transactions were:” at the end of the paragraph immediately before the table on page 30.
- By inserting the following immediately before the table on page 30:

“Using publicly available information, Centerview calculated, for each selected transaction, the enterprise value (calculated as the equity value (taking into account outstanding in-the-money options, RSU, and other equity awards and convertible securities) plus the book value of debt less cash equivalents) implied for each target company based on the consideration payable in the applicable selected transaction as a multiple of the target company’s next-twelve months, or NTM, estimated revenues, at the time of the transaction announcement, as reflected below.”

- By deleting the table on page 30 and replacing it in its entirety with the following:

<u>“Date Announced</u>	<u>Target</u>	<u>Acquiror</u>	<u>Trans Val/NTM Rev</u>
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12/8/14	Cubist Pharmaceuticals, Inc.	Merck & Co., Inc.	6.8x
8/24/14*	InterMune, Inc.	Roche Holding Ltd	29.6x
12/19/13*	Algeta ASA	Bayer AG	22.2x
8/25/13*	Onyx Pharmaceuticals, Inc.	Amgen Inc.	13.0x
6/29/12*	Amylin Pharmaceuticals, Inc.	Bristol-Myers Squibb Company	8.6x
11/21/11	Pharmasset, Inc.	Gilead Sciences, Inc.	NM
2/16/11*	Genzyme Corporation	Sanofi-Aventis	4.0x
6/30/10*	Abraxis BioScience, Inc.	Celgene Corporation	6.8x
5/16/10*	OSI Pharmaceuticals, Inc.	Astellas Pharma Inc.	6.2x
10/06/08*	ImClone Systems Incorporated	Eli Lilly and Company	7.8x
4/10/08	Millennium Pharmaceuticals, Inc.	Takeda Pharmaceutical Company Limited	13.5x
12/10/07	MGI Pharma, Inc.	Eisai Co., Ltd.	7.3x
11/18/07	Pharmion Corporation	Celgene Corporation	7.0x
4/23/07*	MedImmune, Inc.	AstraZeneca PLC	9.8x

Companies that had a multiple greater than 30.0x were excluded from the summary statistics above as outliers (which are indicated above as “**NM**”).”

- By deleting the first paragraph on page 31 and replacing it in its entirety with the following:  
“Financial data for the precedent transactions was based on publicly available information at the time of the announcement of the relevant transactions that Centerview obtained from SEC filings, relevant press releases, FactSet, Bloomberg and Wall Street research.”
- By deleting the first paragraph on page 31 immediately following the heading “—Discounted Cash Flow Analysis” and replacing it in its entirety with the following:

“Centerview performed a discounted cash flow analysis of Pharmacyclics based on the Pharmacyclics forecasts. A discounted cash flow analysis is a traditional valuation methodology used to derive a valuation of an asset by calculating the “present value” of estimated future cash flows of the asset. “Present value” refers to the current value of future cash flows or amounts and is obtained by discounting those future cash flows or amounts by a discount rate that takes into account macroeconomic assumptions and estimates of risk, the opportunity cost of capital, expected returns and other appropriate factors. Centerview calculated a range of illustrative enterprise values for Pharmacyclics by (a) discounting to present value as of March 31, 2015, using discount rates ranging from 9% to 11% (reflecting Centerview’s analysis of Pharmacyclics’ weighted average cost of capital, derived using the Capital Asset Pricing Model, taking into account certain metrics that Centerview deemed relevant in its professional judgment and experience, including target capital structure, levered and unlevered betas for the companies listed in the Selected Comparable Public Company Analysis described above, tax rates, the market risk and size premia and yields for U.S. treasury notes), using the mid-year convention: (i) the forecasted fully-taxed unlevered free cash flows of Pharmacyclics during the period beginning on April 1, 2015 and ending on December 31, 2028 calculated based on the Pharmacyclics forecasts (excluding expenditures for non-IMBRUVICA® (ibrutinib) pipeline programs) and (ii) a range of illustrative terminal values of Pharmacyclics as of December 31, 2028 calculated by Centerview applying to Pharmacyclics’ fully-taxed unlevered free cash flows for the terminal year perpetuity growth decline ranging from 70% to 90% for fully-taxed unlevered free cash flows in the U.S. and decline ranging from 30% to 70% for fully-taxed unlevered free cash flows outside of the United States, respectively (in each case to account for the fact that the expiry of Pharmacyclics’ patents would lead to increased competition from generics according to Pharmacyclics management), and (b) adding to the foregoing results (i) \$750 million, representing the estimated value of Pharmacyclics’ non-IMBRUVICA® (ibrutinib) pipeline programs, calculated based on guidance from Pharmacyclics’ management and the approximate median enterprise value of select publicly-traded development-stage biopharmaceutical companies (based on information Centerview obtained from SEC filings, FactSet Research Systems and other Wall Street research):

<b>Selected Publicly-Traded Development-State Biopharmaceutical Companies</b>	
	<u>Firm Value</u> (in millions)
Merrimack Pharmaceuticals, Inc.	\$1,566



Acceleron Pharma, Inc.	\$1,271
Array BioPharma Inc.	\$1,145
MacroGenics, Inc.	\$813
Alder Biopharmaceuticals, Inc.	\$792
Karyopharm Therapeutics, Inc.	\$684
Epizyme, Inc.	\$636
OncoMed Pharmaceuticals, Inc.	\$600
Galápagos NV	\$462
Five Prime Therapeutics, Inc.	\$448

and (ii) Pharmacyclics' estimated net cash balance of \$850 million as of March 31, 2015, as provided by management of Pharmacyclics. Centerview treated stock-based compensation as a non-cash expense for the purposes of this analysis. Centerview divided the result of the foregoing calculations by Pharmacyclics' fully diluted outstanding Pharmacyclics shares, calculated as described above, to derive an implied per share equity value range of approximately \$195.00 to \$223.00 per share. Centerview compared this range to the per share equity value of the merger consideration of \$261.25."

9. By deleting the phrase "offer or the merger" at the end of the second to last sentence of the third paragraph on page 33 under the heading "*—Opinion of J.P. Morgan Securities LLC*" and replacing in its entirety with the phrase "offer and the merger".
10. By deleting the last sentence of the third to last paragraph on page 34 and replacing in its entirety with the following:  
"J.P. Morgan expressed no opinion as to the price at which Pharmacyclics shares or shares of AbbVie common stock will trade at any future time, whether before or after the closing of the offer and the merger."
11. By adding the following to the end of the third paragraph on page 35:

"Results of the analysis were presented for Pharmacyclics and the selected companies, as indicated in the following table:

	<u>FV / Revenue</u>		<u>P/E</u>
	<u>2016E</u>	<u>2017E</u>	<u>2017E</u>
Alexion Pharmaceuticals, Inc.	11.1x	9.2x	20.8x
Vertex Pharmaceuticals Incorporated	10.6x	7.5x	17.6x
BioMarin Pharmaceutical Inc.	16.4x	12.6x	NM
Incyte Corporation	17.8x	14.3x	39.6x
Medivation, Inc.	9.4x	7.5x	20.5x
Seattle Genetics, Inc.	10.7x	8.6x	NM"

12. By adding the following paragraph immediately before the last paragraph on page 35:  
"Companies which had a revenue multiple greater than 30.0x or less than 0.0x and multiples of share price to estimated earnings per share greater than 50.0x or less than 0.0x were excluded from the applicable summary statistic above as outliers (which is indicated in this section as "*NM*")."
13. By deleting the phrase "Based on this" at the beginning of the first sentence of the last paragraph on page 35 and replacing in its entirety with the phrase "Based on the above".
14. By inserting the phrase "in this section" between the phrase "referred to" and the phrase "as '*Two-Year Forward FV / Revenue*'" at the end of the first sentence of the first paragraph on page 36.
15. By deleting the table under the first paragraph on page 36 and replacing it in its entirety with the following:

<u>"Announcement Date</u>	<u>Acquiror</u>	<u>Target</u>	<u>Two-Year Forward FV / Revenue</u>
December 8, 2014	Merck & Co., Inc.	Cubist Pharmaceuticals, Inc.	5.9x
August 24, 2014	Roche Holdings, Ltd	InterMune, Inc.	14.0x
December 19, 2013	Bayer AG	Algeta ASA	10.4x
August 25, 2013	Amgen Inc.	Onyx Pharmaceuticals, Inc.	7.9x

June 29, 2012	Bristol-Myers Squibb Company	Amylin Pharmaceuticals, Inc.	7.8x
November 21, 2011	Gilead Sciences, Inc.	Pharmasset, Inc.	NM
February 16, 2011	Sanofi-Aventis	Genzyme Corporation	4.0x
June 30, 2010	Celgene Corporation	Abraxis BioScience, Inc.	5.8x
May 16, 2010	Astellas Pharma Inc.	OSI Pharmaceuticals, Inc.	6.8x
October 6, 2008	Eli Lilly and Company	ImClone Systems Incorporated	6.5x
April 10, 2008	Takeda Pharmaceutical Company Ltd	Millennium Pharmaceuticals, Inc.	12.0x
December 10, 2007	Eisai Co., Ltd.	MGI Pharma, Inc.	5.5x
November 18, 2007	Celgene Corporation	Pharmion Corporation	4.9x
April 23, 2007	AstraZeneca PLC	MedImmune Inc.	9.1x”

16. By deleting the fourth sentence of the carryover paragraph on page 37 and replacing it in its entirety with the following:

“Specifically, unlevered free cash flow represents unlevered net operating profit after tax (including stock based compensation expenses but excluding expenditures for non-IMBRUVICA® (ibrutinib) pipeline programs), adjusted for, as applicable, depreciation, capital expenditures, changes in net working capital, and a one-time cash repayment expense of approximately \$134 million to Janssen.”

17. By deleting the first full paragraph on page 37 and replacing it in its entirety with the following:

“J.P. Morgan calculated the present value of unlevered free cash flows that Pharmacyclics is expected to generate during the remainder of 2015 and calendar years 2016 through 2028 based upon financial projections prepared by the management of Pharmacyclics. J.P. Morgan also calculated a range of terminal values for Pharmacyclics at December 31, 2028 by applying perpetual growth decline rates, which were chosen based upon guidance of management of Pharmacyclics to reflect the declining value of Pharmacyclics’ patent portfolio, ranging from 70% to 90% for unlevered free cash flows in the United States, and perpetual growth decline rates ranging from 30% to 70% for unlevered free cash flows outside of the United States, respectively, to the unlevered free cash flows of Pharmacyclics during 2028. The unlevered free cash flows and the range of terminal values were then discounted to present values using a discount rate range of 8.5% to 10.5%, which was chosen by J.P. Morgan based upon an analysis of the weighted average cost of capital of Pharmacyclics, derived using the Capital Asset Pricing Model, taking into account certain metrics that J.P. Morgan deemed relevant in its professional judgment and experience, including long-term U.S. treasury bond yield, levered and unlevered betas for selected companies and the equity risk premium, in addition to target capital structure and the estimated cost of debt and tax rate.”

18. By inserting the following immediately before the heading “—Other Information” on page 37:

“The present value of the unlevered free cash flows and the range of terminal values were then adjusted by adding \$750 million, representing the estimated value of non-IMBRUVICA® (ibrutinib) pipeline programs as of March 3, 2015, calculated based upon guidance of management of Pharmacyclics and J.P. Morgan’s analysis of selected publicly-traded development-state biopharmaceutical companies (based on information J.P. Morgan obtained from SEC filings, FactSet Research Systems and other Wall Street research):

<b>Selected Publicly-Traded Development-State Biopharmaceutical Companies</b>	
	<u>Firm Value</u> <i>(in millions)</i>
Merrimack Pharmaceuticals, Inc.	\$1,566
Accelaron Pharma, Inc.	\$1,271
Array BioPharma Inc.	\$1,145
MacroGenics, Inc.	\$813
Alder Biopharmaceuticals, Inc.	\$792
Karyopharm Therapeutics, Inc.	\$684
Epizyme, Inc.	\$636
OncoMed Pharmaceuticals, Inc.	\$600
Galápagos NV	\$462
Five Prime Therapeutics, Inc.	\$448

The present value of the unlevered free cash flows and the range of terminal values were also adjusted by adding an estimated net cash balance of \$850 million as of March 31, 2015, as provided by management of Pharmacyclics, to indicate, based on the foregoing analyses, a range of implied fully diluted equity values per share of Pharmacyclics of \$191.00 and \$219.00, as compared to the merger consideration of \$261.25 per share.”

**Item 8. Additional Information.**

Item 8 of the Schedule 14D-9 is hereby amended and supplemented as follows:

19. By inserting the following after the paragraph on page 46 under the heading “—*Stockholder Litigation*”:

“On April 13, 2015, the parties to the four putative class action lawsuits described above entered into a Memorandum of Understanding (the “*MOU*”) in which they agreed in principle on the terms of a proposed settlement of the lawsuits. Pursuant to the terms of the MOU, Pharmacyclics has agreed to make certain supplemental disclosures set forth in this Amendment No. 1, which were sought by the plaintiffs in connection with these lawsuits. The parties to the lawsuits also expect that, in connection with the proposed settlement, counsel for plaintiffs will make an application for an award of attorneys’ fees.

Pharmacyclics, the Pharmacyclics board of directors, AbbVie, and the applicable affiliates of AbbVie each have denied, and continue to deny, that they committed or attempted to commit any violation of law or breach of fiduciary duty owed to Pharmacyclics and/or its stockholders, aided or abetted any breach of fiduciary duty, or otherwise engaged in any of the wrongful acts alleged in these lawsuits. All of the defendants expressly maintain that they complied with their fiduciary and other legal duties. However, in order to avoid the costs, disruption and distraction of further litigation and without admitting the validity of any allegation made in the lawsuits or any liability with respect thereto, the defendants have concluded that it is desirable to settle the claims against them. The proposed settlement will be subject to customary conditions, including completion of appropriate settlement documentation, approval by the appropriate courts, notice to the class and a hearing, and consummation of the offer. Notwithstanding the entry into the MOU, there can be no assurance that the proposed settlement will be finalized or that court approval will be granted.”

20. By inserting the following immediately after the first bulleted sentence on page 50:

- “• Pharmacyclics’ Amendment No. 1 to Annual Report on Form 10-K for the fiscal year ended December 31, 2014, filed on April 8, 2015; and”

**SIGNATURES**

After due inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Date: April 13, 2015

**PHARMACYCLICS, INC.**

By: /s/ Manmeet Soni

Name: Manmeet Soni

Title: *Chief Financial Officer and Treasurer*