

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

WARREN H. SCHULER, Individually and On Behalf of
All Others Similarly Situated,

Plaintiff,

v.

THE MEDICINES COMPANY, CLIVE A. MEANWELL,
GLENN P. SBLENDORIO, and PAUL M. ANTINORI,

Defendants.

Case No. 2:14-cv-01149-CCC-MF

CLASS ACTION

**NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION, MOTION FOR
ATTORNEYS' FEES AND EXPENSES, AND SETTLEMENT FAIRNESS HEARING**

If you purchased or otherwise acquired securities of The Medicines Company ("MDCO" or the "Company") between January 8, 2013 and February 12, 2014, both dates inclusive (the "Class Period"), you could be entitled to a payment from a class action settlement (the "Settlement").

A federal court authorized this Notice. It is not a solicitation from a lawyer.

- The Court will hold a Settlement Hearing on June 7, 2016 to decide whether to approve the Settlement. If approved by the Court, the Settlement will provide \$4,250,000, plus interest earned thereon (the "Settlement Amount"), to pay claims of investors who purchased or otherwise acquired MDCO securities during the Class Period.
- The Settlement represents an average recovery of \$0.13 per share of MDCO stock for the estimated 33.6 million shares that Lead Plaintiff alleges were damaged and declined in value as a result of Defendants' alleged misconduct during the Class Period.¹ This estimate solely reflects the average recovery per MDCO share before deducting attorneys' fees and expenses. This is not an estimate of the actual recovery per share you should expect. Your actual recovery will depend on the aggregate losses of all Class Members, the date(s) you purchased and sold MDCO securities, and the total number of valid claims filed. See the Plan of Allocation on p. 8 below for more details.
- To claim your share of the Settlement, you must submit a valid Proof of Claim and Release form by June 13, 2016.
- Attorneys for the Lead Plaintiff ("Lead Counsel") intend to ask the Court to award them fees of up to 33% of the Settlement Amount and reimbursement of up to \$32,500 in litigation expenses. Since the Action's inception, Lead Counsel have expended considerable time and effort in the prosecution of this litigation on a contingent-fee basis and advanced the expenses of the litigation in the expectation that, if they were successful in obtaining a recovery for the Class, they would be paid from such recovery. Lead Counsel also intends to ask the Court to grant Lead Plaintiff an award not to exceed \$3,500. Collectively, the attorneys' fees and litigation expenses and the award to Lead Plaintiff are estimated to average \$0.04 per damaged MDCO share. The average cost per damaged share will vary depending on the number of acceptable Proofs of Claim submitted. If approved by the Court, these amounts will be paid from the Settlement Fund.
- The approximate recovery, after the deduction of attorneys' fees and expenses approved by the Court, is an average of \$0.08 per damaged MDCO share. This estimate is based on the assumptions set forth in the preceding paragraph. Your actual recovery, if any, will vary depending on your purchase price and sales price and the number of valid Proof of Claim forms filed.
- The Settlement resolves the lawsuit concerning whether Defendants violated the federal securities laws by allegedly issuing materially false and misleading statements. All Defendants in the Action deny the allegations in the lawsuit and deny any wrongdoing. Defendants and Plaintiffs disagree on liability and on how much money the investors could have won if they prevailed at trial. Plaintiffs believe that, if they prevailed on all their claims and the Court accepted their theory of damages, that they would have been able to collect a substantial amount of monies, before deductions for fees and expenses and assuming that the full amount of the judgment was

¹ All recoveries per share estimated are exclusive of the 1% of the Net Settlement Fund that has been allocated for potential claims based on losses resulting from options transactions. See the Plan of Allocation at p. 8.

collectable. Defendants believe that they have not engaged in any wrongdoing, committed any violation of law, or acted improperly in any way. They expressly have denied and continue to deny all charges of wrongdoing, fault, or liability against them arising out of any of the conduct, statements, acts, or omissions alleged, or that could have been alleged, in the Litigation.

- Your legal rights will be affected whether you act or do not act. If you do not act, you may permanently forfeit your right to recover on any claim you might have. Therefore, you should read this Notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
SUBMIT A CLAIM FORM	The only way to get a payment. Proof of Claim forms must be postmarked by June 13, 2016 .
EXCLUDE YOURSELF	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against any Released Defendant Party about the legal claims in this case. Requests for Exclusion must be received by May 17, 2016 .
OBJECT	Write to the Court about why you do not like the Settlement, the Plan of Allocation, and/or the request for attorneys' fees, costs, and expenses. You will still be a member of the Class. Objections must be received by the Court and counsel by May 17, 2016 .
GO TO THE HEARING	Ask to speak in Court about the fairness of the Settlement. Requests to speak must be received by the Court and counsel by May 17, 2016 .
DO NOTHING	Get no payment. Give up your rights.

INQUIRIES

For further information regarding the Action or this Notice or to review the Stipulation and Agreement of Settlement, please contact the Claims Administrator toll-free at (888) 653-7709 or at www.MDCOSecuritiesLitigation.com. You may also contact representatives of counsel for the Class at Pomerantz LLP, 600 Third Ave., 20th Floor, New York, NY 10016, (212) 661-1100, www.pomerantzlawfirm.com. **Please do not contact the Court or Defendants regarding this Notice.**

BASIC INFORMATION

1. Why did I get this Notice package?

You or someone in your family may have purchased or otherwise acquired MDCO securities between January 8, 2013 and February 12, 2014 (the "Class Period").

The Court directed that this Notice be sent to Class Members because they have a right to know about the proposed Settlement of this class action lawsuit and about all of their options before the Court decides whether to approve the Settlement. If the Court approves the Settlement and after objections and appeals—if any—are resolved, the Claims Administrator appointed by the Court will make the payments provided for in the Settlement.

2. What is this lawsuit about?

This case is known as *Schuler v. The Medicines Co., et al.*, Case No. 2:14-cv-01149-CCC-MF (the "Action"). The United States District Court for the District of New Jersey is in charge of the Action, and the case has been assigned to the Honorable Claire C. Cecchi. The individual representing the Class is the "Lead Plaintiff," and the company and individuals he sued and who have now settled are called the Defendants.

This Action brings claims against The Medicines Company ("MDCO" or the "Company"); Clive A. Meanwell, the Company's Chief Executive Officer and Chairman; Glenn P. Sblendorio, the Company's former Chief Financial Officer, Treasurer, and Director; and Paul M. Antinori, the Company's former Senior Vice President, General Counsel, and Secretary.

MDCO is a pharmaceutical company that provides medical solutions to acute- and intensive-care hospitals worldwide, focusing on acute cardiovascular care, surgery and perioperative care, and serious infectious disease care. During the Class Period, one of its most promising prospects was cangrelor, an anti-platelet blood thinner designed to prevent clotting during percutaneous coronary intervention (“PCI”), also known as coronary angioplasty. PCI is a nonsurgical procedure used to open an obstructed coronary artery by inserting a balloon-tipped catheter into the artery and then inflating the balloon at the obstruction site. Usually, PCI also includes the placement of a small tube (a stent) to keep the artery open.

Lead Plaintiff asserts claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Securities and Exchange Commission Rule 10b-5. Lead Plaintiff alleges that, between January 8, 2013 and February 12, 2014, Defendants made false and misleading statements about cangrelor, the conduct and results of its final clinical trial, and its prospects for FDA approval. Lead Plaintiff further alleges that investors were harmed on February 10, 2014, when the FDA released Briefing Documents criticizing the cangrelor drug trial and on February 12, 2014, when the FDA advisory panel voted to recommend against approving cangrelor.

3. Why is this a class action?

In a class action, one or more people called plaintiffs sue on behalf of people who have similar claims. All of the people with similar claims are referred to as a “class” or “class members.” One court resolves the issues for all class members, except for those who exclude themselves from the class.

4. Why is there a settlement?

This Action has been litigated since February 2014. This Action has not gone to trial, and the Court has not decided in favor of either side. Instead, both sides agreed to the Settlement to avoid the distraction, costs, and risks of further litigation.

Lead Plaintiff and Lead Counsel believe that the Settlement provides the Class with a benefit now, instead of after years of further uncertain litigation, and is in the best interests of all Class Members in light of the real possibility that continued litigation could result in no recovery at all. Continuing to litigate the case would require all parties to expend substantial resources. If the Action continued, fact discovery would be extremely expensive, both sides would likely engage expert witnesses, and Lead Plaintiff believes that much of the proof would be highly technical, making the outcome of any trial unpredictable.

Defendants have denied and continue to deny each and all of the allegations made and claims brought by Lead Plaintiff and maintain that they have meritorious defenses. Defendants have also denied and continue to deny, *inter alia*, the allegations that Lead Plaintiff or the Class has suffered damages, that the prices of MDCO securities were artificially inflated by reason of alleged misrepresentations, non-disclosures, or otherwise, or that Lead Plaintiff or the Class was harmed by the conduct alleged. Nonetheless, Defendants have concluded that further litigation of this Action would be protracted and expensive and that the Action should be fully and finally settled under the terms and conditions of this Settlement.

The Settlement shall in no event be construed as, or deemed to be evidence of, an admission or concession by Released Defendant Parties with respect to any claim of any fault or liability or wrongdoing or damage to the Class Members in this Litigation.

WHO IS IN THE SETTLEMENT

To see if you will get money from this Settlement, you first have to decide if you are a Class Member.

5. How do I know if I am part of the Settlement?

The Class includes all persons or entities that purchased or otherwise acquired MDCO securities² between January 8, 2013 and February 12, 2014, except those persons and entities that are excluded, as described below.

If one of your mutual funds own MDCO securities, that alone does not make you a Class Member. You are a Class Member only if you directly purchased or otherwise acquired MDCO securities during the Class Period. Contact your broker to see if you have made any of these purchases.

² For a list of MDCO securities for which an Authorized Claimant may be entitled to receive a distribution from the Net Settlement Fund, see the Plan of Allocation below.

If you sold MDCO securities during the Class Period, that alone does not make you a Class Member. You are a Class Member only if you purchased or otherwise acquired MDCO securities during the Class Period.

6. Are there exceptions to being included?

Yes. You are not a Class Member if you are a Defendant; a member of a Defendant's immediate family; a Defendant's legal representative, heir, predecessor, successor, or assign; a current or former director or officer of the Company during the Class Period; any entity in which any Defendant has or had a controlling interest or that is related to or affiliated with any Defendant; or the legal representative, agent, heir, successor, or assign of any such excluded party. Also, if you validly exclude yourself from the Class in accordance with the requirements set forth below, you are not a part of the Class.

7. What if I am still not sure if I am included?

If you are still not sure whether you are included, you can ask for free help. You can contact the Claims Administrator toll-free at (888) 653-7709, or you can fill out and return the Proof of Claim form enclosed with this Notice package, to see if you qualify.

THE SETTLEMENT BENEFITS—WHAT YOU GET

8. What does the Settlement provide?

In exchange for the Settlement and the release of the Released Claims (defined below) as well as dismissal of the Action, Defendants have agreed that a payment of \$4.25 million will be made by Defendants (or on their behalf) to be divided, after taxes, fees, and expenses, pro rata among all Class Members who send in a valid Proof of Claim form.

9. How much will my payment be?

Your share of the fund will depend on several factors, including the following: how many Class Members submit timely and valid Proof of Claim forms; the total Recognized Losses (as defined in the Plan of Allocation below) represented by the valid Proof of Claim forms that the Class Members send in; the number of MDCO securities that you purchased or acquired during the Class Period; how much you paid for them; when you purchased them; and if you sold them and for how much.

By following the instructions in the Plan of Allocation, you can calculate what is called your Recognized Loss. It is unlikely that you will get a payment for all of your Recognized Loss. After all Class Members have sent in their Proof of Claim forms, the payment you get will be a part of the Net Settlement Fund equal to your Recognized Loss divided by the total of everyone's Recognized Losses. See the Plan of Allocation at page 8 for more information.

HOW YOU GET A PAYMENT—SUBMITTING A CLAIM FORM

10. How can I get a payment?

To qualify for a payment, you must submit a Proof of Claim form. A Proof of Claim form is enclosed with this Notice and may be downloaded at www.MDCOSecuritiesLitigation.com. Read the instructions carefully, fill out the Proof of Claim form, include all the documents that the form asks for, sign it, and mail so that it is postmarked or received no later than **June 13, 2016**.

11. When would I get my payment?

The Court will hold a Settlement Hearing on June 7, 2016 to decide whether to approve the Settlement. If the Court approves the Settlement, there might be appeals afterwards. It is always uncertain whether these appeals can be resolved, and resolving them can take time, perhaps more than a year. It also takes time for all the Proofs of Claim to be processed. Please be patient.

12. What am I giving up to get a payment or to stay in the Class?

Unless you exclude yourself, you will remain a Class Member, and this means that, if the Settlement is approved, you will give up all “Released Claims,” including “Unknown Claims,” against the “Released Defendant Parties” (as all of these terms are defined below):

- “Released Claims” means and includes any and all claims, debts, demands, controversies, obligations, losses, costs, interest, penalties, fees, expenses, rights, rights of recovery, duties, judgments, actions, sums of money, suits, contracts, agreements, promises, damages, causes of action, and liabilities of any and every kind, description, and nature whatsoever (including, but not limited to, any claims for damages (whether compensatory, special, incidental, consequential, punitive, exemplary, or otherwise), injunctive relief, declaratory relief, rescission or rescissionary damages, interest, attorneys’ fees, expert or consulting fees, costs, expenses, or any other form of legal or equitable relief whatsoever), whether based on federal, state, local, foreign, statutory, common, administrative, or any other law, statute, rule, or regulation, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, whether class or individual in nature, including both known claims and Unknown Claims (i) asserted in the Action; (ii) that any Releasing Plaintiff could have asserted in the Action, including those concerning, arising from or out of, relating to, in connection with, or based on statements Plaintiffs allege in the Action were false or misleading, or any of the alleged acts, commissions, omissions, representations, facts, events, matters, transactions, or occurrences asserted in or relating to the Action; or (iii) that arise from or out of, related to, are in connection with, or are based on any Releasing Plaintiffs’ purchase, acquisition, disposition, or sale of, MDCO securities from January 8, 2013 and February 12, 2014, that were or might have been asserted on behalf of themselves, their heirs, executors, administrators, successors, and assigns against Released Defendant Parties, or any of them. However, Released Claims do not include: (1) claims to enforce the Settlement, and (2) shareholder derivative claims already asserted or to be asserted in any action.
- “Released Defendant Parties” means Defendants The Medicines Company, Clive A. Meanwell, Glenn P. Sblendorio, and Paul M. Antinori, collectively and each of them; each of any Defendant’s past or present directors, officers, employees, partners, principals, members, insurers, co-insurers, re-insurers, controlling shareholders, attorneys, advisors, accountants, auditors, personal or legal representatives, predecessors, successors, parents, subsidiaries, divisions, joint ventures, assigns, spouses, estates, executors, administrators, heirs, or related or affiliated entities; any entity in which any Defendant has a controlling interest; any member of any Defendant’s immediate family, including past, present, or future children, stepchildren, parents, stepparents, spouses (including husbands, wives, and partners in a state-recognized domestic relationship or civil union), siblings, parents-in-law, and siblings-in-law; and any trust of which any Defendant is the settlor or that is for the benefit of any member of an Defendant’s immediate family, including past, present, or future children, stepchildren, parents, stepparents, spouses (including husbands, wives, and partners in a state-recognized domestic relationship or civil union), siblings, parents-in-law, and siblings-in-law.
- “Unknown Claims” means and includes any and all claims that one or more Releasing Plaintiff does not know or suspect to exist in his, her or its favor at the time of the release of the Released Defendant Parties. This includes claims that, if known by him, her, or it, might have affected his, her, or its settlement with and release of the Released Defendant Parties, or might have affected his, her, or its decision(s) with respect to the Settlement and the Released Claims, including his, her, or its decision to object or not to object to this Settlement. The Settling Parties expressly acknowledge, and the Releasing Plaintiffs by operation of the Judgment shall have, and shall be deemed to have expressly waived and relinquished any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or any other jurisdiction, or principle of common law that is or is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

A general release does not extend to claims that the creditor does not know or suspect to exist in his or her favor 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.

- Plaintiffs, Releasing Plaintiffs, or Released Defendant Parties may hereafter discover facts, legal theories, or authorities in addition to or different from those that he, she, or it now knows or believes to be true with respect to the subject matter of the Released Claims, but Plaintiffs and Defendants expressly, fully, finally, and forever settle and release, and each other Releasing Plaintiff and Released Defendant Party shall be deemed to have settled, released, and upon the Effective Date and by operation of the Judgment shall have settled and released, fully, finally, and forever, any and all Released Claims, without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities. The Settling Parties

expressly acknowledge, and each other Releasing Plaintiff and Released Defendant Party by operation of law shall be deemed to have acknowledged, that the inclusion of Unknown Claims in the definition of Released Claims was separately bargained for and a material element of the Settlement.

If you remain a member of the Class, all of the Court's orders will apply to you and legally bind you.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from this Settlement, and you want to keep the right to sue any Released Defendant Party on your own about the legal issues in this case, then you must take steps to remove yourself from the Settlement. This is called excluding yourself—sometimes referred to as “opting out.”

13. How do I get out of the proposed Settlement?

To exclude yourself from the Class, you must send a signed letter by first-class mail stating (i) your name, address, and telephone number; (ii) your purchases, acquisitions, sales, and dispositions of MDCO securities during the Class Period (including the dates, the number of securities purchased, acquired, or sold, and the price paid or received for each such purchase or sale); and (iii) that you “request exclusion from the Class in the MDCO Securities Litigation.” You must submit your exclusion request to the following address so that it is **received no later than May 17, 2016**:

MDCO Securities Litigation
Claims Administrator
P.O. Box 4230
Portland, OR 97208-4230

If you have submitted a Request for Exclusion and later wish to revoke it, you may do so by submitting a written request to the Claims Administrator such that it is received no later than seven (7) days before the Settlement Hearing. A revocation of a Request for Exclusion must be signed, must provide the Class Member's name, address, and telephone number, and must state that the Class Member wishes to revoke his or her Request for Exclusion.

If you ask to be excluded and do not timely revoke your request, you will not get any payment, and you cannot object to the Settlement. You will not be legally bound by anything that happens in this lawsuit, and you may be able to sue the Defendants and the other Released Defendant Parties in the future.

14. If I do not exclude myself, can I sue the Defendants and the other Released Defendant Parties for the same thing later?

No. Unless you exclude yourself, you give up any rights to sue any Released Defendant Parties for any and all Released Claims. If you have a pending lawsuit against the Released Defendant Parties, speak to your lawyer in that case immediately. You must exclude yourself from this Action to continue your own lawsuit. Remember, the exclusion deadline is **May 17, 2016**.

15. If I exclude myself, can I get money from the proposed Settlement?

No. If you exclude yourself, you may not send in a Proof of Claim to ask for any money. But, you may sue or be part of a different lawsuit against the Released Defendant Parties.

THE LAWYERS REPRESENTING YOU

16. Do I have a lawyer in this case?

The Court ordered that the law firm of Pomerantz LLP represent the Class Members, including you. These lawyers are called Lead Counsel. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How will the lawyers be paid?

Lead Counsel will move the Court for an award of attorneys' fees in an amount not greater than 33 percent of the Settlement Fund and for expenses and costs in an amount not to exceed \$32,500 in connection with the Litigation, plus interest on such fees, costs, and expenses at the same rate earned by the Settlement Fund. Such sums as may be approved by the Court will be paid from the Settlement Fund.

OBJECTING TO THE SETTLEMENT

18. How do I tell the Court that I object to the proposed Settlement?

If you are a Class Member, you can object to the proposed Settlement, the proposed Plan of Allocation, and/or Lead Counsel's fee, cost, and expense application. You can write to the Court setting out your objection. The Court will consider your views. To object, you must send a signed letter saying that you object to the proposed Settlement in the *MDCO Securities Litigation*. Any objection must: (1) include your name, address, telephone number, and signature; (2) identify the date(s), price(s), and number(s) of MDCO securities that you purchased or otherwise acquired during the Class Period; (3) provide a detailed statement of your objections to any matters before the Court; (4) include a written notice of your intention to appear at the hearing (if you intend to appear); and (5) attach all documents or writings you wish the Court to consider. Your objection must be filed with the Court and mailed or delivered to each of the following addresses such that it is **received no later than May 17, 2016**:

COURT	LEAD COUNSEL	DEFENDANTS' COUNSEL
Clerk of the Court United States District Court District of New Jersey Martin Luther King Building & U.S. Courthouse 50 Walnut Street Newark, NJ 07101	Jeremy A. Lieberman POMERANTZ LLP 600 Third Avenue 20 th Floor New York, NY 10016	Michael G. Bongiorno WILMER CUTLER PICKERING HALE AND DORR LLP 7 World Trade Center 250 Greenwich Street New York, NY 10007

19. What is the difference between objecting and excluding myself?

Objecting is simply telling the Court that you do not like something about the proposed Settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S SETTLEMENT HEARING

The Court will hold a hearing to decide whether to approve the proposed Settlement. You may attend, and you may ask to speak, but you do not have to.

20. When and where will the Court decide whether to approve the proposed Settlement?

The Court will hold a Settlement Hearing on June 7, 2016, at 10:30 a.m., at the United States District Court for the District of New Jersey in the Martin Luther King Building & U.S. Courthouse, 50 Walnut Street, Courtroom 5B, Newark, New Jersey 07101, for the following: to determine whether the proposed Settlement of the Litigation on the terms and conditions provided for in the Stipulation is fair, reasonable, and adequate to the Class and should be approved by the Court; to determine whether an Order and Final Judgment as provided in the Stipulation should be entered; to determine whether the proposed Plan of Allocation should be approved; to determine any amount of fees, costs, and expenses that should be awarded to Plaintiffs' Counsel and Plaintiffs for their service to the Class; to hear any objections by Class Members to the Stipulation or Plan of Allocation or any award of fees and expenses to Plaintiffs' Counsel or to Plaintiffs; and to consider such other matters as the Court may deem appropriate.

If there are objections, the Court will consider them. The Court will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay to Lead Counsel. After the Settlement Hearing, the Court will decide whether to approve the Settlement.

We do not know how long these decisions will take. You should be aware that the Court may change the date and time of the Settlement Hearing without another notice being sent to Class Members. If you want to attend the hearing, you should check with Lead Counsel beforehand to be sure that the date and/or time has not changed.

21. Do I have to come to the hearing?

No. Lead Counsel will answer questions the Court may have. But, you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary. Class Members do not need to appear at the hearing or take any other action to indicate their approval.

22. May I speak at the hearing?

If you object to the Settlement, you may ask the Court for permission to speak at the Settlement Hearing. To do so, you must include with your objection (see question 18 above) a statement saying that it is your “intention to appear in the *MDCO Securities Litigation*.” Persons who intend to object to the Settlement, the Plan of Allocation, and/or the application for an award of attorneys’ fees, costs, and expenses and desire to present evidence at the Settlement Hearing must include in their written objections the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the Settlement Hearing. You cannot speak at the hearing if you exclude yourself.

IF YOU DO NOTHING

23. What happens if I do nothing at all?

If you do nothing, you will get no money from this Settlement. But, unless you exclude yourself, you will not be able to start a lawsuit or be part of any other lawsuit against the Released Defendant Parties about the legal issues in this case, ever again.

GETTING MORE INFORMATION

24. Are there more details about the proposed Settlement?

This Notice summarizes the proposed Settlement. More details are in a Stipulation of Settlement dated February 12, 2016 (the “Stipulation”). The Stipulation is the controlling document describing the proposed Settlement, and its terms govern anything to the contrary in this Notice. You can get a copy of the Stipulation and obtain answers to common questions regarding the proposed Settlement by contacting the Claims Administrator toll-free at (888) 653-7709. A copy of the Stipulation is also available on the Claims Administrator’s website at www.MDCOSecuritiesLitigation.com.

25. How do I get more information?

For even more detailed information concerning the matters involved in this Action, reference is made to the Stipulation, to the pleadings in support of the Settlement, to the Orders entered by the Court, and to the other papers filed in the Action, which will be posted on the Settlement website www.epiqsystems.com, and which may be inspected at the Office of the Clerk of the United States District Court for the District of New Jersey, Martin Luther King Building & U.S. Courthouse, 50 Walnut Street, Newark, New Jersey 07101, during regular business hours. For a fee, all papers filed in this Action are available at www.pacer.gov.

PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG CLASS MEMBERS

The Settlement Amount of \$4.25 million and any interest earned thereon shall be the “Settlement Fund.” The Settlement Fund, less all taxes, approved costs, fees, and expenses (the “Net Settlement Fund”) will be distributed to Class Members who submit timely and valid Proof of Claim forms to the Claims Administrator (“Authorized Claimants”).

The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund among Authorized Claimants based on their respective alleged economic losses as a result of the alleged fraud, as opposed to losses caused by market- or industry-wide factors, or company-specific factors unrelated to the alleged fraud. The calculations made pursuant to the Plan of Allocation are generally based upon the measure of damages set forth in Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder by the Securities and Exchange Commission.

MDCO securities for which an Authorized Claimant may be entitled to receive a distribution from the Net Settlement Fund (the “Eligible Securities”) consist of the following:

- i. MDCO common stock purchased or otherwise acquired during the Class Period (“MDCO Common Stock” or “Stock”)³;
- ii. Exchange-traded call options on MDCO Common Stock purchased or otherwise acquired during the Class Period (“Call Options”);
- iii. Exchange-traded put options on MDCO Common Stock sold (written) during the Class Period (“Put Options”).

The Claims Administrator shall determine each Authorized Claimant’s share of the Net Settlement Fund based upon the recognized loss formula (the “Recognized Loss”) described below. A Recognized Loss will be calculated for each share of MDCO Common Stock and/or Call Option purchased or otherwise acquired during the Class Period, and for each Put Option sold during the Class Period. The calculation of Recognized Loss will depend upon several factors, including when each Eligible Security was purchased and/or sold during the Class Period, and for what amounts.

The Recognized Loss is not intended to estimate the amount a Class Member might have been able to recover after a trial, nor to estimate the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Loss is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants. The Claims Administrator will use its best efforts to administer and distribute the Net Settlement Fund to the extent that it is equitably and economically feasible.

Initially, 99% of the Net Settlement Fund will be allocated to the payment of claims that are based on Recognized Losses for MDCO Common Stock, and 1% of the Net Settlement Fund will be allocated to the payment of claims based on Recognized Losses for Call Options and Put Options.⁴

If the sum total of Recognized Losses for MDCO Common Stock for all Authorized Claimants is greater than 99% of the Net Settlement Fund, each Authorized Claimant shall receive his, her, or its pro rata share. The pro rata share shall be the Authorized Claimant’s Recognized Losses for MDCO Common Stock divided by the sum total of Recognized Losses for MDCO Common Stock of all Authorized Claimants, multiplied by 99% of the Net Settlement Fund.

Likewise, if the sum total of Recognized Losses for Call Options and Put Options for all Authorized Claimants is greater than 1% of the Net Settlement Fund, each Authorized Claimant shall receive his, her, or its pro rata share. The pro rata share shall be the Authorized Claimant’s Recognized Losses for Call Options and Put Options divided by the sum total of Recognized Losses for Call Options and Put Options of all Authorized Claimants, multiplied by 1% of the Net Settlement Fund.

In the unlikely event that the Net Settlement Fund allocated as such is sufficient to pay 100% of either the MDCO Common Stock-based claims or the MDCO option-based claims, any excess amount will be used to pay the balance on the remaining claims. If the Net Settlement Fund is sufficient to pay 100% of the MDCO Common Stock-based claims and the MDCO option-based claims, any excess amount shall then be donated to an appropriate nonprofit organization selected by Lead Counsel, in which Lead Counsel shall not have any financial interest or other affiliation.

The Court may approve the Plan of Allocation, or modify it, without additional notice to the Class. Any order modifying the Plan will be posted on the Settlement website at: www.MDCOSecuritiesLitigation.com.

The Plan of Allocation was created with the assistance of a consulting damages expert, and reflects the assumption that the price of MDCO Common Stock was allegedly artificially inflated during the Class Period. The estimated alleged artificial inflation in the price of MDCO Common Stock during the Class Period is reflected in Table 1 below. The computation of the estimated alleged artificial inflation in the price of MDCO Common Stock during the Class Period is based on certain misrepresentations alleged by Lead Plaintiff and the price change in the Stock, net of market- and industry-wide factors, in reaction to the public announcements that allegedly corrected the misrepresentations alleged by Lead Plaintiff.

³ During the Class Period, MDCO common stock was listed on the NASDAQ Global Select Market under the ticker symbol “MDCO.”

⁴ Call Options and Put Options account for less than 1% of the combined dollar volume of Eligible Securities traded during the Class Period.

Federal securities laws allow investors to recover for losses caused by disclosures that corrected Defendants' previous misleading statements or omissions. Thus, in order to have been damaged by the alleged violations of the federal securities laws, shares of MDCO Common Stock and Call Options purchased or otherwise acquired during the Class Period must have been held during a period of time in which its price declined due to the disclosure of information that corrected an allegedly misleading statement or omission. Lead Plaintiff and Lead Plaintiff's Counsel have determined that such price declines occurred on February 10, 2014 and February 13, 2014 (the "Corrective Disclosure Dates"). Accordingly, if MDCO Common Stock or Call Options were divested (through sale, exercise, or expiration) before February 10, 2014 (the earliest Corrective Disclosure Date), the Recognized Loss for those shares or options is \$0.00, and any loss suffered is not compensable under the federal securities laws. Likewise, if MDCO Common Stock or Call Options were purchased/acquired on or after February 10, 2014 and subsequently divested before February 13, 2014, the Recognized Loss for those shares or options is \$0.00. With respect to Put Options, those options must have been sold (written) during the Class Period and not closed out (through repurchase, exercise, or expiration) through at least one of the Corrective Disclosure dates in order to have been damaged by the alleged violations of the federal securities laws.

Table 1		
Alleged Artificial Inflation in MDCO Common Stock⁵		
From	To	Alleged Per-Share Price Inflation
January 8, 2013	February 9, 2014	\$6.09
February 10, 2014	February 12, 2014	\$4.12
February 13, 2014	Thereafter	\$0.00

The "90-day look back" provision of the Private Securities Litigation Reform Act of 1995 ("PSLRA") is incorporated into the calculation of the Recognized Loss for MDCO Common Stock. The limitations on the calculation of the Recognized Loss imposed by the PSLRA are applied such that losses on shares of MDCO Common Stock purchased/acquired during the Class Period and held as of the close of the 90-day period subsequent to the Class Period (the "90-day look back period") cannot exceed the difference between the purchase price paid for MDCO Common Stock and the average price of MDCO Common Stock during the 90-day look back period. The Recognized Loss on MDCO Common Stock purchased/acquired during the Class Period and sold during the 90-day look back period cannot exceed the difference between the purchase price paid for MDCO Common Stock and the rolling average price of MDCO Common Stock during the portion of the 90-day look back period elapsed as of the date of sale.

Recognized Loss Calculation for MDCO Common Stock

For each share of MDCO Common Stock purchased or otherwise acquired during the Class Period (i.e., January 8, 2013 through February 12, 2014, inclusive), the Recognized Loss per share shall be calculated as follows:

- i. For each share of MDCO Common Stock purchased/acquired during the period January 8, 2013 through February 9, 2014, inclusive,
 - a. and sold prior to February 10, 2014, the Recognized Loss is \$0.
 - b. and sold February 10, 2014 through February 12, 2014, the Recognized Loss is \$1.97.
 - c. and sold February 13, 2014 through May 13, 2014, inclusive (the 90-day period following the Class Period), the Recognized Loss is **the lesser of** (i) \$6.09 and (ii) the purchase/acquisition price (excluding all fees, taxes, and commissions) minus the "90-Day Lookback Value" on the date of sale/disposition provided in Table 2 below. If this calculation results in a negative number, then the Recognized Loss per share shall be \$0.
 - d. and still held as of the opening of trading on May 14, 2014, the Recognized Loss per share shall be calculated as **the lesser of** (i) \$6.09 and (ii) the purchase/acquisition price (excluding all fees, taxes, and commissions) minus the average closing price for MDCO Common Stock during the 90-day period following the Class Period, which is \$27.74. If this calculation results in a negative number, then the Recognized Loss per share shall be \$0.

⁵ Any transactions in MDCO Eligible Securities executed outside of regular trading hours for the U.S. financial markets shall be deemed to have occurred during the next regular trading session.

- ii. For each share of MDCO Common Stock purchased/acquired during the period February 10, 2014 through February 12, 2012, inclusive,
- and sold prior to February 13, 2014, the Recognized Loss is \$0.
 - and sold February 13 through May 13, 2014, inclusive (the 90-day period following the Class Period), the Recognized Loss is the lesser of (i) \$4.12 and (ii) the purchase/acquisition price (excluding all fees, taxes, and commissions) minus the “90-Day Lookback Value” on the date of sale/disposition provided in Table 2 below. If this calculation results in a negative number, then the Recognized Loss per share shall be \$0.
 - and still held as of the opening of trading on May 14, 2014, the Recognized Loss per share shall be calculated as **the lesser of** (i) \$4.12 and (ii) the purchase/acquisition price (excluding all fees, taxes, and commissions) minus the average closing price for MDCO Common Stock during the 90-day period following the Class Period, which is \$27.74. If this calculation results in a negative number, then the Recognized Loss per share shall be \$0.

Sale/ Disposition Date	90-Day Lookback Value	Sale/ Disposition Date	90-Day Lookback Value	Sale/ Disposition Date	90-Day Lookback Value
2/13/2014	\$29.28	3/17/2014	\$30.18	4/15/2014	\$28.59
2/14/2014	\$29.40	3/18/2014	\$30.17	4/16/2014	\$28.50
2/18/2014	\$29.60	3/19/2014	\$30.16	4/17/2014	\$28.42
2/19/2014	\$29.66	3/20/2014	\$30.15	4/21/2014	\$28.35
2/20/2014	\$29.86	3/21/2014	\$30.12	4/22/2014	\$28.29
2/21/2014	\$29.86	3/24/2014	\$30.09	4/23/2014	\$28.22
2/24/2014	\$30.02	3/25/2014	\$30.05	4/24/2014	\$28.18
2/25/2014	\$30.08	3/26/2014	\$29.98	4/25/2014	\$28.13
2/26/2014	\$30.23	3/27/2014	\$29.94	4/28/2014	\$28.09
2/27/2014	\$30.37	3/28/2014	\$29.88	4/29/2014	\$28.06
2/28/2014	\$30.39	3/31/2014	\$29.83	4/30/2014	\$28.03
3/3/2014	\$30.36	4/1/2014	\$29.66	5/1/2014	\$28.00
3/4/2014	\$30.35	4/2/2014	\$29.52	5/2/2014	\$27.98
3/5/2014	\$30.33	4/3/2014	\$29.40	5/5/2014	\$27.95
3/6/2014	\$30.30	4/4/2014	\$29.27	5/6/2014	\$27.92
3/7/2014	\$30.27	4/7/2014	\$29.13	5/7/2014	\$27.89
3/10/2014	\$30.25	4/8/2014	\$29.02	5/8/2014	\$27.84
3/11/2014	\$30.27	4/9/2014	\$28.95	5/9/2014	\$27.80
3/12/2014	\$30.27	4/10/2014	\$28.88	5/12/2014	\$27.77
3/13/2014	\$30.24	4/11/2014	\$28.78	5/13/2014	\$27.74
3/14/2014	\$30.21	4/14/2014	\$28.68		

Recognized Loss Calculation for MDCO Call Options

For each Call Option purchased or otherwise acquired during the Class Period (i.e., January 8, 2013 through February 12, 2014, inclusive), the Recognized Loss per option⁶ shall be calculated as follows:

- For each Call Option purchased/acquired during the Class Period that was still held as of the opening of trading on one or more of the Corrective Disclosure Dates (i.e., on February 10, 2014 and/or February 13, 2014),

⁶ Exchange-traded call (put) options are traded in units called contracts. Each call (put) option contract entitles the owner of the call (put) option contract to purchase (sell) 100 shares of the underlying stock upon exercise. Herein, one option means an option with one share of MDCO Common Stock as the underlying security.

- a. that was subsequently sold, the Recognized Loss per option is equal to the purchase/acquisition price per option (excluding all fees, taxes, and commissions) **minus** the sale price per option (excluding all fees, taxes, and commissions). If this calculation results in a negative number, then the Recognized Loss per option is \$0.
 - b. that was subsequently exercised, the Recognized Loss per option is equal to the purchase/acquisition price per option (excluding all fees, taxes, and commissions) **minus** the price per option on the date of exercise.⁷ If this calculation results in a negative number, then the Recognized Loss per option is \$0.
 - c. that expired unexercised while still owned, the Recognized Loss per option is equal to the purchase/acquisition price per option (excluding all fees, taxes, and commissions).
2. For each Call Option purchased/acquired during the Class Period that was not held at the opening of trading on one or more of the Corrective Disclosure Dates, the Recognized Loss per option is \$0.

No loss shall be recognized based on a sale or writing of any call option that was subsequently repurchased, exercised, or expired.

Recognized Loss Calculation for MDCO Put Options

For each Put Option sold (written) during the Class Period (i.e., January 8, 2013 through February 12, 2014, inclusive), the Recognized Loss per option shall be calculated as follows:

1. For each Put Option sold (written) during the Class Period for which the Claimant was still obligated on at the opening of trading on one or more of the Corrective Disclosure Dates (i.e., on February 10, 2014 and/or February 13, 2014),
 - a. that was subsequently repurchased, the Recognized Loss per option is equal to the repurchase price per option (excluding all fees, taxes, and commissions) **minus** the sale price per option (excluding all fees, taxes, and commissions). If this calculation results in a negative number, then the Recognized Loss per option is \$0.
 - b. that was subsequently exercised (i.e., put to the Authorized Claimant), the Recognized Loss per option is equal to the price of the option on the date of exercise **minus** the sale price per option (excluding all fees, taxes, and commissions).⁸ If this calculation results in a negative number, then the Recognized Loss per option is \$0.
 - c. that expired unexercised, the Recognized Loss per option is \$0.00.
2. For each Put Option sold (written) during the Class Period for which the Claimant was not obligated on at the opening of trading on one or more of the Corrective Disclosure Dates, the Recognized Loss per option is \$0.

No loss shall be recognized based on a purchase of any put option that was subsequently sold, exercised, or expired.

INSTRUCTIONS APPLICABLE TO ALL CLAIMANTS

The payment you receive will reflect your proportionate share of the Net Settlement Fund. Such payment will depend on the number of eligible securities that participate in the Settlement and when those securities were purchased and sold. The number of claimants who send in claims varies widely from case to case.

A purchase or sale of MDCO Eligible Securities shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date.

All purchase and sale prices shall exclude any fees and commissions.

To the extent a Class Member had a gain from his, her, or its overall transactions in MDCO common stock, call options, or put options during the Class Period, the value of the claim will be zero. Shares held before the beginning of the Class Period are excluded from the calculation of overall gain or loss. For common stock held

⁷ The price of the option on the date of exercise shall be the closing price of MDCO Common Stock on the date of exercise minus the strike (exercise) price of the option.

⁸ The price of the option on the date of exercise shall be the strike (exercise) price of the option minus the closing price of MDCO Common Stock on the date of exercise.

through the end of the 90-day look back period, a value of \$27.74 will be applied as the holding value for the purpose of calculating an overall loss or gain. If, during the Class Period, a Class Member had a net market loss in his, her, or its trading in MDCO common stock, call options, or put options, the Class Member's net Recognized Loss shall be limited to the Class Member's net market loss.

Acquisition by Gift, Inheritance, or Operation of Law: If a Class Member acquired MDCO Eligible Securities during the Class Period by way of gift, inheritance, or operation of law, such a claim will be computed by using the date and price of the original purchase and not the date and price of transfer. To the extent that MDCO Eligible Securities were originally purchased prior to commencement of the Class Period, the Recognized Loss for that acquisition shall be deemed to be Zero (\$0.00).

Notwithstanding any of the above, receipt of MDCO Eligible Securities during the Class Period in exchange for securities of any other corporation or entity shall not be deemed a purchase or sale of MDCO Eligible Securities.

The first-in-first-out ("FIFO") basis will be applied to purchases and sales. Sales will be matched in chronological order, by trade date, first against the Eligible Securities held as of the close of trading on January 7, 2013 (the last day before the Class Period begins) and then against the purchases of Eligible Securities during the Class Period.

The date of covering a "short sale" is deemed to be the date of purchase of shares. The date of a "short sale" is deemed to be the date of sale of shares. In accordance with the Plan of Allocation, however, the Recognized Loss on "short sales" is zero. In the event that a claimant has an opening short position in MDCO Common Stock, the earliest Class Period purchases shall be matched against such opening short position and not be entitled to a recovery until that short position is fully covered.

With respect to MDCO Common Stock purchased or sold through the exercise of an option, the purchase/sale date of the Stock shall be the exercise date of the option, and the purchase/sale price of the Stock shall be the exercise price of the option. Any Recognized Loss arising from purchases of MDCO Common Stock acquired during the Class Period through the exercise of an option on MDCO Common Stock⁹ shall be computed as provided for other purchases of MDCO Common Stock in the Plan of Allocation.

Payment according to the Plan of Allocation will be deemed conclusive against all Authorized Claimants. A Recognized Loss will be calculated as defined herein and cannot be less than zero. The Claims Administrator shall allocate to each Authorized Claimant a pro rata share of the Net Settlement Fund based on his, her, or its Recognized Loss as compared to the total Recognized Losses of all Authorized Claimants (see the Plan of Allocation for additional details). No distribution will be made to Authorized Claimants who would otherwise receive a distribution of less than \$10.00.

Class Members who do not submit acceptable Proofs of Claim will not share in the Settlement proceeds. The Settlement and the Final Judgment and Order of Dismissal with Prejudice dismissing this Action will nevertheless bind Class Members who do not submit a request for exclusion and/or submit an acceptable Proof of Claim.

Please contact the Claims Administrator or Lead Counsel if you disagree with any determinations made by the Claims Administrator regarding your Proof of Claim. If you are unsatisfied with the determinations, you may ask the Court, which retains jurisdiction over all Class Members and the claims administration process, to decide the issue by submitting a written request.

Defendants, their respective counsel, and all other Released Defendant Parties will have no responsibility or liability whatsoever for the investment of the Settlement Fund, the distribution of the Net Settlement Fund, the Plan of Allocation, or the payment of any claim. Lead Plaintiff and Lead Counsel, likewise, will have no liability for their reasonable efforts to execute, administer, and distribute the Settlement.

Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement. If any funds remain in the Net Settlement Fund by reason of uncashed distribution checks or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Class Members who are entitled to participate in the distribution of the Net Settlement Fund cash their distributions, any balance remaining in the Net Settlement Fund after at least six (6) months after the initial distribution of such funds will be used in the following fashion: (a) first, to pay any amounts mistakenly omitted from the initial disbursement; (b) second, to pay any additional settlement administration fees, costs, and expenses, including those of Lead Counsel as may be approved by the Court; and (c) finally, to make a second distribution to claimants who cashed their checks from the initial distribution and who would receive at least \$10.00, after payment of the estimated costs, expenses,

⁹This includes (1) purchases of MDCO Common Stock as the result of the exercise of a Call Option and (2) purchases of MDCO Common Stock by the seller of a Put Option as a result of the buyer of such Put Option exercising that Put Option.

or fees to be incurred in administering the Net Settlement Fund and in making this second distribution, if such second distribution is economically feasible. These redistributions shall be repeated, if economically feasible, until the balance remaining in the Net Settlement Fund is de minimis, and such remaining balance will then be distributed to a nonsectarian, nonprofit organization identified by Lead Counsel.

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If you purchased MDCO securities during the Class Period (CUSIPs: 584688105) for the beneficial interest of an individual or organization other than yourself, the Court has directed that, WITHIN TEN (10) DAYS OF YOUR RECEIPT OF THIS NOTICE, you either (a) provide to the Claims Administrator the name and last known address of each person or organization for whom or which you purchased such securities during such time period or (b) request additional copies of this Notice and the Proof of Claim form, which will be provided to you free of charge, and within ten (10) days mail the Notice and Proof of Claim form directly to the beneficial owners of the securities referred to herein. If you choose to follow alternative procedure (b), upon such mailing, you must send a statement to the Claims Administrator confirming that the mailing was made as directed and retain the names and addresses for any future mailings to Class Members. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Your reasonable expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator:

MDCO Securities Litigation
Claims Administrator
P.O. Box 4230
Portland, OR 97208-4230
(888) 653-7709
www.MDCOSecuritiesLitigation.com

Dated: April 5, 2016

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY