

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLORADO**

Civil Action No. 04-cv-01030-WDM-CBS

NOBLE ASSET MANAGEMENT LLC, on behalf of itself and all others similarly situated,

Plaintiff,

v.

ALLOS THERAPEUTICS, INC. and MICHAEL E. HART,

Defendants.

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

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**If you purchased the common stock of Allos Therapeutics, Inc. ("Allos") between May 29, 2003 and April 29, 2004, inclusive, and were damaged thereby, then you could get a payment from a class action settlement.**

*A federal court authorized this notice. This is not a solicitation from a lawyer.*

- The settlement will provide a \$2,000,000 cash settlement fund for the benefit of investors who purchased Allos common stock between May 29, 2003 and April 29, 2004, inclusive (the "Class Period") and were damaged thereby.
- The settlement resolves a lawsuit over whether Allos misled investors about the prospects for RSR13, a drug candidate in development by Allos designed to improve cancer treatments.
- Your legal rights are affected whether you act or do not act. Read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
<b>SUBMIT A CLAIM FORM BY FEBRUARY 5, 2009</b>	The only way to get a payment.
<b>EXCLUDE YOURSELF BY DECEMBER 15, 2008</b>	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against Defendants and the other Released Parties about the Settled Claims.
<b>OBJECT BY DECEMBER 15, 2008</b>	Write to the Court about why you do not like the settlement.
<b>GO TO A HEARING ON JANUARY 21, 2009</b>	Ask to speak in Court about the settlement.
<b>DO NOTHING</b>	Get no payment. Give up rights.

- These rights and options - **and the deadlines to exercise them** - are explained in this notice.
- The Court in charge of this case still has to decide whether to approve the settlement. Payments will be made if the Court approves the settlement and after appeals are resolved. Please be patient.

## SUMMARY NOTICE

### Statement of Plaintiff Recovery

Pursuant to the settlement described herein, a Settlement Fund consisting of \$2,000,000 in cash, plus interest, has been established. Plaintiffs estimate that there were approximately 14.2 million shares of Allos common stock traded during the Class Period which may have been damaged. Plaintiffs estimate that the average recovery per damaged share of Allos common stock under the settlement is 14.1¢ per damaged share<sup>1</sup> before deduction of Court-awarded attorneys' fees and expenses. A Class Member's actual recovery will be a proportion of the Net Settlement Fund determined by that claimant's Recognized Claim as compared to the total Recognized Claims of all Class Members who submit acceptable Proofs of Claim. Depending on the number of claims submitted, when during the Class Period a Class Member purchased shares of Allos common stock, the purchase price paid, and whether those shares were held at the end of the Class Period or sold during the Class Period, and, if sold, when they were sold and the amount received, an individual Class Member may receive more or less than this average amount. See the Plan of Allocation beginning on page 10 for more information on your Recognized Claim.

### Statement of Potential Outcome of Case

The parties disagree on both liability and damages and do not agree on the average amount of damages per share that would be recoverable if plaintiffs were to have prevailed on each claim alleged. Defendants deny that they are liable to the plaintiffs or the Class and deny that plaintiffs or the Class have suffered any damages.

### Statement of Attorneys' Fees and Costs Sought

Plaintiffs' Counsel are moving the Court to award attorneys' fees not to exceed one-third (33⅓%) of the Gross Settlement Fund, and for reimbursement of expenses incurred in connection with the prosecution of this Action in the approximate amount of \$45,000. The requested fees and expenses would amount to an average of 5.0¢ per damaged share in total for fees and expenses. Plaintiffs' Counsel have expended considerable time and effort in the prosecution of this litigation on a contingent fee basis, and have 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. In this type of litigation it is customary for counsel to be awarded a percentage of the common fund recovery as their attorneys' fees.

### Further Information

Further information regarding the Action and this Notice may be obtained by contacting Plaintiffs' Counsel: Jeff S. Westerman, Esq., Milberg LLP, One California Plaza, 300 S. Grand Ave., Suite 3900, Los Angeles, CA 90071, Telephone: (213) 617-1200.

### Reasons for the Settlement

For the Plaintiffs, the principal reason for the settlement is the benefit to be provided to the Class now. This benefit must be compared to the risk that no recovery might be achieved in view of the fact that the District Court has dismissed the Complaint, concluding that the Plaintiffs did not state a valid claim under the law against the Defendants. Even if Plaintiffs were successful on appeal and the Complaint were re-instated, there would be risks that a smaller recovery or no recovery might be obtained after a contested trial and likely appeals, possibly years into the future.

For the Defendants, who deny all allegations of wrongdoing or liability whatsoever, the principal reason for the settlement is to eliminate the expense, risks, and uncertain outcome of the litigation in the event that plaintiffs were successful on appeal of the dismissal of the Complaint.

**[END OF COVER PAGE]**

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<sup>1</sup> An allegedly damaged share might have been traded more than once during the Class Period, and the indicated average recovery would be the total for all purchasers of that share.

**WHAT THIS NOTICE CONTAINS**

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## BASIC INFORMATION

### 1. Why did I get this notice package?

You or someone in your family may have purchased shares of Allos common stock between May 29, 2003 and April 29, 2004, inclusive.

The Court directed that this Notice be sent to Class Members because they have a right to know about a proposed settlement of a 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 are resolved, an administrator appointed by the Court will make the payments that the settlement allows.

This package explains the lawsuit, the settlement, Class Members' legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the District of Colorado, and the case is known as *Noble Asset Management LLC v. Allos Therapeutics, Inc., et al.*, Civil Action No. 04-cv-01030-WDM-CBS. This case was assigned to United States District Judge Walker D. Miller. The people who sued are called Plaintiffs, and the company and the persons they sued -- Allos and Michael E. Hart (the Chief Executive Officer, President and Chief Financial Officer of Allos throughout the Class Period) -- are called the Defendants.

### 2. What is this lawsuit about?

Allos is a biopharmaceutical company focused on developing and commercializing innovative drugs for improving cancer treatments.

The lawsuit claimed that Defendants misled investors regarding RSR13, a drug candidate in development by Allos designed to improve cancer treatments. Plaintiffs allege that, in a scheme to artificially inflate the value of Allos' securities, Defendants issued false and misleading press releases and other statements throughout the Class Period which falsely portrayed the results of the drug's clinical trials and thereby created a perception in the stock market that the U.S. Food and Drug Administration (FDA) would approve the drug in the then near future.

Plaintiffs further allege that investors purchased Allos common stock during the Class Period at prices artificially inflated as a result of Defendants' dissemination of materially false and misleading statements regarding Allos in violation of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, and Rule 10b-5 thereunder.

### 3. Why is this a class action?

In a class action, one or more people called Class Representatives (in this case Plaintiff Patrick Haddad), sue on behalf of people who have similar claims. All these people are a Class or Class Members. Bringing a case, such as this one, as a class action allows adjudication of many similar claims of persons and entities that might be economically too small to bring in individual actions. 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 was commenced on May 19, 2004 in the United States District Court for the District of Colorado. A number of other complaints were also filed on behalf of different plaintiffs. In each of these other cases the plaintiff filed a notice of voluntary dismissal which resulted in the Court dismissing the case without prejudice.

On August 25, 2004, Plaintiff Noble Asset Management LLC filed the First Amended Class Action Complaint for Violations of Federal Securities Laws (the "Complaint"). Defendants filed a motion to dismiss the Complaint on October 12, 2004.

On October 20, 2005, the District Court entered an order dismissing the Complaint for failure to state a valid claim under the law and entered judgment in the Action in favor of Defendants and against Plaintiffs. On November 17, 2005, Plaintiffs filed a notice of appeal to the United States Court of Appeals for the Tenth Circuit appealing the District Court's order and judgment.

At the direction of the Tenth Circuit, the parties participated in discussions with a Circuit Mediator. Subsequently, with the assistance of retired United States District Judge Layn R. Phillips acting as a mediator, the parties, through their counsel, conducted discussions and arm's length negotiations with respect to a compromise and settlement of the Action.

On or about February 6, 2008, Plaintiffs and Defendants entered into a Stipulation and Agreement of Settlement setting forth the terms of the settlement of this Action. In furtherance of the settlement, the appeal was withdrawn without prejudice in favor of remand to the District Court for the sole purpose of considering the settlement pursuant to Rule 23 of the Federal Rules of Civil Procedure.

The Court of Appeals did not decide in favor of Plaintiffs or Defendants. Instead, both sides agreed to a settlement. That way, they avoid the risks and cost of appeal and possible trial, and the Class Members will receive some benefits. Plaintiffs and their counsel believe the settlement is best for all Class Members.

### 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 Court directed, for the purposes of the proposed settlement, that everyone who fits this description is a Class Member: *all persons who purchased the common stock of Allos between May 29, 2003 and April 29, 2004, inclusive, and who were damaged thereby.*

6. Are there exceptions to being included?

Excluded from the Class are Defendants, the officers and directors of Allos at all relevant times, members of their immediate families (parents, spouses, siblings, and children) and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest. Also excluded from the Class are any putative Class Members who exclude themselves by filing a request for exclusion in accordance with the requirements set forth in this Notice.

If one of your mutual funds purchased shares of Allos common stock during the Class Period, that alone does not make you a Class Member. You are a Class Member only if you directly purchased shares of Allos common stock during the Class Period. Check your investment records or contact your broker to see if you purchased Allos common stock during the Class Period.

If you **sold** Allos common stock during the Class Period, that alone does not make you a Class Member. You are a Class Member only if you **purchased** your shares during the Class Period.

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 call 1-800-447-7657 or visit [www.gilardi.com](http://www.gilardi.com) for more information. Or you can fill out and return the Proof of Claim form described on page 6, in question 10, to see if you qualify.

### THE SETTLEMENT BENEFITS — WHAT YOU GET

8. What does the settlement provide?

In exchange for the settlement and dismissal of the Action, Allos has agreed to create a \$2,000,000 fund to be divided, after fees and expenses, 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 the total Recognized Claims represented by the valid Proof of Claim forms that Class Members send in, how many shares of Allos common stock you bought, how much you paid for them, and when you bought and whether or when you sold them, and if so for how much you sold them.

You can calculate your Recognized Claim in accordance with the formula shown below in the Plan of Allocation. It is unlikely that you will get a payment for all of your Recognized Claim. 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 Claim divided by the total of everyone's Recognized Claims. See the Plan of Allocation beginning on page 10 for more information on your Recognized Claim.

## HOW YOU GET A PAYMENT — SUBMITTING A PROOF OF CLAIM FORM

10. How can I get a payment?

To qualify for a payment, you must send in a Proof of Claim form. A Proof of Claim form is being circulated with this Notice. You may also get a Proof of Claim form on the Internet at [www.gilardi.com](http://www.gilardi.com). Read the instructions carefully, fill out the Proof of Claim form, include all the documents the form asks for, sign it, and mail it postmarked no later than **February 5, 2009**.

11. When would I get my payment?

The Court will hold a hearing on **January 21, 2009**, at **10:00 a.m.** to decide whether to approve the settlement. If the Court approves the settlement after that, there may be appeals. 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 stay in the Class?

Unless you exclude yourself, you are staying in the Class, and that means that, upon the “Effective Date,” you will release all “Settled Claims” (as defined below) against the “Released Parties” (as defined below).

“Settled Claims” means any and all claims, debts, demands, rights or causes of action or liabilities whatsoever (including, but not limited to, any claims for damages, interest, attorneys’ fees, expert or consulting fees, and any other costs, expenses or liability whatsoever), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or un-accrued, liquidated or un-liquidated, at law or in equity, matured or un-matured, whether class or individual in nature, including both known claims and Unknown Claims, (i) that have been asserted in this Action by the Class Members or any of them against any of the Released Parties, or (ii) that could have been asserted in any forum by the Class Members or any of them at any time against any of the Released Parties which arise out of, are based upon, or are related in any way to (a) the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Complaint and which relate to the purchase, acquisition, retention, sale, or disposition of Allos common stock during the Class Period; or (b) the settlement or resolution of this Action (including, without limitation, any claim for attorneys’ fees by Plaintiffs’ Counsel or any Class Member). “Settled Claims” shall also include claims related to any tax effects or tax liabilities (including any interest, penalties and representation costs) arising out of the Stipulation or any payment or transfer made pursuant to the Stipulation. “Settled Claims” does not mean or include claims, if any, against the Released Parties arising under the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001, *et seq.* (“ERISA”) which are not common to all Class Members.

“Released Parties” means any and all of the Defendants, their past or present subsidiaries, parents, successors and predecessors, officers, directors, agents, employees, attorneys, advisors, investment advisors, auditors, accountants, insurers, reinsurers, and any person, firm, trust, corporation, officer, director or other individual or entity in which any Defendant has a controlling interest or which is related to or affiliated with any of the Defendants, and the legal representatives, heirs, successors in interest or assigns of the Defendants.

The “Effective Date” will occur when an Order entered by the Court approving the settlement becomes final and not subject to appeal.

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, but you want to keep any right you may have to sue or continue to sue the Defendants and the other Released Parties, on your own, about the Settled Claims, then you must take steps to get out. This is called excluding yourself — or is sometimes referred to as “opting out” of the settlement Class. Defendants may withdraw from and terminate the Settlement if putative Class Members who purchased in excess of a certain amount of Allos common stock exclude themselves from the Class.

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

To exclude yourself from the settlement Class, you must send a signed letter by mail stating that you "request exclusion from the Class in *Noble Asset Management LLC v. Allos Therapeutics, Inc., et al.*, Civil Action No. 04-cv-01030-WDM-CBS." Your letter should state the date(s), price(s), and number(s) of shares of all your purchases and sales of Allos common stock during the Class Period. In addition, be sure to include your name, address, telephone number, and your signature. You must mail your exclusion request postmarked no later than **December 15, 2008** to:

Allos Therapeutics Securities Litigation EXCLUSIONS  
c/o Gilardi & Co. LLC, Claims Administrator  
P.O. Box 5100  
Larkspur, California 94977-5100

You cannot exclude yourself by telephone or by e-mail. If you ask to be excluded, you will not get any settlement 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 (or continue to sue) the Defendants and the other Released Parties in the future.

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

No. Unless you exclude yourself, you give up any rights to sue the Defendants and the other Released Parties for any and all Settled Claims. If you have a pending lawsuit speak to your lawyer in that case immediately. You must exclude yourself from *this* Class to continue your own lawsuit. Remember, the exclusion deadline is **December 15, 2008**.

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

No. If you exclude yourself, do not send in a Proof of Claim form to ask for any money. But, you may exercise any right you may have to sue, continue to sue, or be part of a different lawsuit against the Defendants and the other Released Parties.

#### THE LAWYERS REPRESENTING YOU

16. Do I have a lawyer in this case?

The law firm of Milberg LLP in Los Angeles, California has been appointed to represent all Class Members in connection with this settlement.<sup>2</sup> These lawyers are called Plaintiffs' Counsel. You will not be separately charged for these lawyers. The Court will determine the amount of Plaintiffs' Counsel's fees and expenses, which will be paid from the Gross Settlement Fund. 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?

If the settlement is approved, the Court will thereafter consider the motion for payment of attorneys' fees and expenses. Plaintiffs' Counsel are moving the Court to award attorneys' fees from the Gross Settlement Fund in an amount not

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<sup>2</sup> Milberg LLP was formerly known as Milberg Weiss Bershad & Schulman LLP. On May 18, 2006 in the United States District Court for the Central District of California (Los Angeles), Milberg Weiss Bershad & Schulman LLP and two of its partners, David J. Bershad and Steven G. Schulman, and others, were named as defendants in an indictment. On September 20, 2007 a superseding indictment was filed which added Melvyn I. Weiss as a named defendant. The indictments alleged that, in certain cases identified in the indictments, portions of attorneys' fees awarded to the firm were improperly shared with certain plaintiffs. The three partners named in the indictments have left the firm and have pleaded guilty to a charge of conspiracy. The indictments do not refer to this action, and make no allegations of any impropriety in the conduct of this action.

On June 16, 2008, Milberg LLP entered into a non-prosecution case disposition agreement with the government providing for dismissal of the indictment against Milberg LLP. The government determined that the former senior partners who had engaged in misconduct "took affirmative steps to conceal their illegal activities from other partners, associates, and employees of the Firm." The government determined that dismissal of the indictment and non-prosecution of Milberg LLP were appropriate in light of its belief that "no attorney currently a partner or associate with Milberg LLP is criminally culpable" with respect to conduct charged in the indictment.

greater than one-third (33⅓%) of the Gross Settlement Fund and for reimbursement of their expenses in the approximate amount of \$45,000, plus interest on such expenses at the same rate as earned by the Settlement Fund.

Plaintiffs' Counsel, without further notice to the Class, will subsequently apply to the Court for payment of the Claims Administrator's fees and expenses incurred in connection with giving notice, administering the settlement and distributing the settlement proceeds to the members of the Class.

### OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the settlement or some part of it.

18. How do I tell the Court that I do not like the proposed settlement?

If you are a Class Member you can object to the settlement or any of its terms, the proposed Plan of Allocation and/or the application by Plaintiffs' Counsel for an award of fees and expenses. You may write to the Court setting out your objection. You may give reasons why you think the Court should not approve any or all of the settlement terms or arrangements. The Court will consider your views if you file a proper objection within the deadline identified, and according to the following procedures.

To object, you must send a signed letter stating that you object to the proposed settlement in *Noble Asset Management LLC v. Allos Therapeutics, Inc., et al.*, Civil Action No. 04-cv-01030-WDM-CBS. Be sure to include your name, address, telephone number, and your signature, identify the date(s), price(s), and number(s) of shares of all purchases and sales of Allos common stock you made during the Class Period, and state the reasons why you object to the settlement. Your objection must be filed with the Court and served on all the following counsel on or before **December 15, 2008**:

#### COURT

Clerk of the Court  
United States District Court  
for the District of Colorado  
Alfred A. Arraj U.S. Courthouse  
901 19th Street  
Denver, CO 80294-3589

#### PLAINTIFFS' COUNSEL

Jeff S. Westerman, Esq.  
Milberg LLP  
One California Plaza  
300 S. Grand Ave.  
Suite 3900  
Los Angeles, CA 90071

#### DEFENDANTS' COUNSEL

Paul H. Schwartz, Esq.  
Cooley Godward Kronish LLP  
380 Interlocken Crescent  
Suite 900  
Broomfield, CO 80021-8023

You do not need to go to the Settlement Fairness Hearing to have your written objection considered by the Court. At the Settlement Fairness Hearing, any Class Member who has not previously submitted a request for exclusion from the Class and who has complied with the procedures set out in this question 18 and question 22 below for filing with the Court and providing to the counsel for Plaintiffs and Defendants a statement of an intention to appear at the Settlement Fairness Hearing may also appear and be heard, to the extent allowed by the Court, to state any objection to the settlement, the Plan of Allocation, or Plaintiffs' Counsel's motion for an award of attorneys' fees and reimbursement of expenses. Any such objector may appear in person or arrange, at that objector's expense, for a lawyer to represent the objector at the Hearing.

19. What is the difference between objecting and excluding?

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 FAIRNESS 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 Fairness Hearing at **10:00 a.m.** on **Wednesday, January 21, 2009**, at the United States District Court for the District of Colorado, Alfred A. Arraj United States Courthouse, 901 19th Street, Denver, Colorado 80294-3589. At this hearing the Court will consider whether the settlement is fair, reasonable and adequate. If the Settlement is approved, at the Settlement Fairness Hearing, the Court thereafter will consider the proposed Plan of

Allocation for the proceeds of the Settlement and the application of Plaintiffs' Counsel for attorneys' fees and reimbursement of expenses. The Court will take into consideration any written objections filed in accordance with the instructions at question 18. The Court also may listen to people who have properly indicated, within the deadline identified above, an intention to speak at the hearing; but decisions regarding the conduct of the hearing will be made by the Court. See question 22 for more information about speaking at the hearing. At or after the 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 Fairness Hearing. Thus, if you want to come to the hearing, you should check with Plaintiffs' Counsel before coming to be sure that the date and/or time has not changed.

21. Do I have to come to the hearing?

No. Plaintiffs' 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 filed 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 Fairness Hearing. To do so, you must include with your objection (see question 18 above) a statement stating that it is your "Notice of Intention to Appear in *Noble Asset Management LLC v. Allos Therapeutics, Inc., et al.*, Civil Action No. 04-cv-01030-WDM-CBS." Persons who intend to object to the settlement, the Plan of Allocation, and/or counsel's application for an award of attorneys' fees and expenses and desire to present evidence at the Settlement Fairness 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 Fairness Hearing. You cannot speak at the hearing if you excluded yourself from the Class or if you have not provided written notice of your intention to speak at the Settlement Fairness Hearing by the deadline identified, and in accordance with the procedures described in questions 18 and 20 above.

#### 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 and you will be precluded from starting a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against Defendants and the other Released Parties about the Settled Claims in this case, ever again. To share in the Net Settlement Fund you must submit a Proof of Claim form (see question 10). To start, continue or be a part of any other lawsuit against the Defendants and the other Released Parties about the Settled Claims in this case you must exclude yourself from this Class (see question 13).

#### GETTING MORE INFORMATION

24. Are there more details about the proposed settlement?

This notice summarizes the proposed settlement. More details are in a Stipulation and Agreement of Settlement dated as of February 6, 2008 (the "Stipulation"). You can get a copy of the Stipulation by writing to Jeff S. Westerman, Esq., Milberg LLP, One California Plaza, 300 S. Grand Ave., Suite 3900, Los Angeles, CA 90071, or by visiting [www.gilardi.com](http://www.gilardi.com).

You also can call the Claims Administrator at 1-800-447-7657 toll free; write to Allos Therapeutics Securities Litigation Settlement, P.O. Box 5100, Larkspur, California 94977-5100; or visit the website at [www.gilardi.com](http://www.gilardi.com), where you will find answers to common questions about the settlement, a Proof of Claim form, plus other information to help you determine whether you are a Class Member and whether you are eligible for a payment.

25. How do I get more information?

For even more detailed information concerning the matters involved in this Action, reference is made to the pleadings, to the Stipulation, to the Orders entered by the Court and to the other papers filed in the Action, which may be inspected at the Office of the Clerk of the United States District Court for the District of Colorado, Alfred A. Arraj United States Courthouse, 901 19th Street, Denver, Colorado 80294-3589, during regular business hours.

**PLAN OF ALLOCATION OF NET SETTLEMENT FUND AMONG CLASS MEMBERS**

The \$2,000,000 Cash Settlement Amount and the interest earned thereon shall be the Gross Settlement Fund. The Gross Settlement Fund, less all taxes, approved costs, fees and expenses (the "Net Settlement Fund") shall be distributed to members of the Class who submit acceptable Proofs of Claim ("Authorized Claimants").

The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's "Recognized Claim." The Recognized Claim formula is not intended to be an estimate of the amount of what a Class Member might have been able to recover after a trial; nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the settlement. The Recognized Claim formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants.

The following proposed Plan of Allocation reflects Plaintiffs' allegations that the price of Allos' common stock was inflated artificially by reason of allegedly false and misleading statements made by Defendants during the Class Period. The following Plan is based solely on the allegations of the Plaintiffs and not on the findings of the Court or the admissions of the Defendants.

Plaintiffs alleged that the artificial inflation began by May 29, 2003 after Defendants published a press release which allegedly misled investors to believe that the FDA would approve Allos' drug candidate RSR13 in the then near future. The proposed Plan of Allocation reflects Plaintiffs' allegations that the inflation was finally ended on or about April 30, 2004, when investors began to learn the truth about RSR13 that Defendants had actively concealed from them during the Class Period. On April 30, 2004, the FDA released a briefing in advance of the FDA's Oncologic Drugs Advisory Committee meeting on Allos' application for approval of RSR13 for patients with brain metastases from breast cancer. In the "Conclusions and Recommendations" section of its review of Allos' application, FDA staffers stated that "the evidence submitted in this application is not convincing and does not support the sponsor's claim of efficacy." In reaction to this announcement, the price of Allos' common stock declined precipitously, reflecting the elimination of the artificial inflation that Defendants' misrepresentations allegedly caused during the Class Period. On April 29, 2004, Allos' common stock closed at \$4.64 per share. On the next day following the FDA's announcement, April 30, 2004, the stock closed at \$2.55 per share, a \$2.09 drop.

The Recognized Claim is limited to no more than the out-of-pocket loss actually incurred on the purchase and sale of the stock, or for shares still held 90 days after the end of the April 29, 2004 Class Period (*i.e.*, still held at the close of trading on July 29, 2004), the Recognized Claim is limited to no more than the difference between the purchase price paid and \$2.17 per share. \$2.17 was the average trading price of the common stock during the 90 day period from April 30, 2004 through July 29, 2004.

For shares of Allos common stock purchased during the Class Period (May 29, 2003 through and including April 29, 2004), "Recognized Claims" will be calculated for purposes of the Settlement as follows:

(a) If the shares purchased during the Class Period were sold at a loss on or before April 29, 2004, an Authorized Claimant shall have no (\$0.00) "Recognized Claim"; and

(b) If the shares purchased during the Class Period were sold at a loss during the period from April 30, 2004 through July 29, 2004, inclusive, an Authorized Claimant's "Recognized Claim" shall mean the *lesser* of: (a) \$2.09 per share (the amount that the stock dropped after the FDA announcement), or (b) the purchase price paid (including commissions, etc.) less the sales proceeds received (net of commissions, etc.); and

(c) If the shares purchased during the Class Period were held as of the close of trading on July 29, 2004, an Authorized Claimant's "Recognized Claim" shall mean the *lesser* of: (a) \$2.09 per share, or (b) the purchase price paid (including commissions, etc.) less \$2.17 per share.

In the event a Class Member has more than one purchase or sale of Allos common stock, all purchases and sales shall be matched on a First In First Out ("FIFO") basis. Class Period sales will be matched first against any Allos shares held at the beginning of the Class Period and then against purchases in chronological order. A purchase or sale of Allos common stock shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. The receipt or grant by gift, devise or operation of law of Allos common stock during the Class Period shall not be deemed a purchase or sale of Allos common stock for the calculation of an Authorized Claimant's Recognized Claim nor shall it be deemed an assignment of any claim relating to the purchase of such shares unless specifically provided in the instrument of gift or assignment. The receipt of Allos common stock during the Class Period in exchange for securities of any other corporation or entity shall not be deemed a purchase or sale of Allos common stock.

To the extent a Claimant had a gain from his, her or its overall transactions in Allos common stock during the Class Period, the value of the Recognized Claim will be zero. To the extent that a Claimant suffered an overall loss on his, her or its overall transactions in Allos common stock during the Class Period, but that loss was less than the Recognized Claim calculated above, then the Recognized Claim shall be limited to the amount of the actual loss.

For purposes of determining whether a Claimant had a gain from his, her or its overall transactions in Allos common stock during the Class Period or suffered a loss, the Claims Administrator shall: (i) total the amount paid for all Allos common stock purchased during the Class Period by the claimant (the "Total Purchase Amount"); (ii) match any sales of Allos common stock during the Class Period first against the Claimant's opening position in the stock (the proceeds of those sales will not be considered for purposes of calculating gains or losses); (iii) total the amount received for sales of the remaining shares of Allos common stock sold during the Class Period (the "Sales Proceeds"); and (iv) ascribe a \$2.55 per share holding value for the number of shares of Allos common stock purchased during the Class Period and still held at the end of the Class Period ("Holding Value"). The difference between (x) the Total Purchase Amount ((i) above) and (y) the sum of the Sales Proceeds ((iii) above) and the Holding Value ((iv) above) will be deemed a Claimant's gain or loss on his, her or its overall transactions in Allos common stock during the Class Period.

Each Authorized Claimant shall be allocated a *pro rata* share of the Net Settlement Fund based on his, her or its Recognized Claim as compared to the total Recognized Claims of all Authorized Claimants.

Class Members who do not submit acceptable Proofs of Claim will not share in the settlement proceeds. Class Members who do not either submit a request for exclusion or submit an acceptable Proof of Claim will nevertheless be bound by the settlement and the Order and Final Judgment of the Court dismissing this Action.

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 un-cashed distributions 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 one (1) year after the initial distribution of such funds shall be re-distributed to Class Members who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution, after payment of any unpaid costs or fees incurred in administering the Net Settlement Fund for such re-distribution. If after six months after such re-distribution any funds shall remain in the Net Settlement Fund, then such balance shall be contributed to non-sectarian, not-for-profit, 501(c)(3) organization(s) designated by Plaintiffs' Counsel.

Plaintiffs, Defendants, their respective counsel, and all other Released Parties shall have no responsibility for or liability whatsoever for the investment or distribution of the Settlement Fund, the Net Settlement Fund, the Plan of Allocation or the determination, administration, calculation, or payment of any Proof of Claim or non-performance of the Claims Administrator, the payment or withholding of taxes owed by the Settlement Fund or any losses incurred in connection therewith.

#### **SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES**

If you purchased Allos common stock (CUSIP: 019777101; Nasdaq Trading Symbol: ALTH; Berlin Stock Exchange Trading Symbol: TH8 GR) during the period from May 29, 2003 through and including April 29, 2004 for the beneficial interest of a person or organization other than yourself, the Court has directed that, WITHIN SEVEN (7) 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 Allos common stock 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 seven (7) days mail the Notice and Proof of Claim form directly to the beneficial owners of that Allos common stock. If you

choose to follow alternative procedure (b), the Court has directed that, upon such mailing, you send a statement to the Claims Administrator confirming that the mailing was made as directed. 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. Those expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator:

Allos Therapeutics Securities Litigation Settlement  
c/o Gilardi & Co. LLC  
Claims Administrator  
P.O. Box 5100  
Larkspur, California 94977-5100  
(800) 447-7657

Dated: Denver, Colorado  
October 13, 2008

By Order of the Court  
CLERK OF THE COURT