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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

In re QUESTCOR
PHARMACEUTICALS, INC.
SECURITIES LITIGATION

) Case No.: SA CV 12-1623-DMG(JPRx)

) CLASS ACTION

This Document Relates To:
ALL ACTIONS.

) ORDER PRELIMINARILY
) APPROVING SETTLEMENT AND
) PROVIDING FOR NOTICE

1 WHEREAS, a consolidated action is pending before this Court entitled *In re*
2 *Questcor Pharmaceuticals, Inc. Securities Litigation*, No. CV 12-01623-DMG (JPRx)
3 (the “Litigation”);

4 WHEREAS, the parties having made application, pursuant to Federal Rule of
5 Civil Procedure 23(e), for an order preliminarily approving the settlement of this
6 Litigation, in accordance with a Stipulation of Settlement dated as of April 8, 2015
7 (the “Stipulation”), which, together with the Exhibits annexed thereto, sets forth the
8 terms and conditions for a proposed settlement of the Litigation and for dismissal of
9 the Litigation with prejudice upon the terms and conditions set forth therein; and the
10 Court having read and considered the Stipulation and the Exhibits annexed thereto;
11 and

12 WHEREAS, unless otherwise defined, all terms used herein have the same
13 meanings as set forth in the Stipulation.

14 NOW, THEREFORE, IT IS HEREBY ORDERED:

15 1. The Court has reviewed the Stipulation and does hereby preliminarily
16 approve the settlement set forth therein, subject to further consideration at the
17 Settlement Hearing described below.

18 2. A hearing (the “Settlement Hearing”) shall be held before this Court on
19 **September 18, 2015 at 10:00 a.m.**, at the United States District Court for the Central
20 District of California, Southern Division, United States Courthouse, 312 North Spring
21 Street, Courtroom 7, Los Angeles, CA 90012, to determine whether the settlement of
22 the Litigation on the terms and conditions provided for in the Stipulation is fair,
23 reasonable, and adequate to the Class and should be approved by the Court; whether a
24 Judgment as provided in ¶1.12 of the Stipulation should be entered; whether the Plan
25 of Allocation is fair, reasonable, and adequate and should be approved; to determine
26 the amount of fees and expenses that should be awarded to Lead Counsel; and to
27 determine the amount of expenses to be awarded to Plaintiffs. The Court may adjourn
28 or continue the Settlement Hearing without further notice to the Members of the Class.

1 3. The Court approves, as to form and content, the Notice of Proposed
2 Settlement of Class Action (the “Notice”), the Proof of Claim and Release form (the
3 “Proof of Claim”), and Summary Notice annexed hereto as Exhibits A-1, A-2, and A-
4 3, respectively, and finds that the mailing and distribution of the Notice and
5 publishing of the Summary Notice substantially in the manner and form set forth in ¶¶
6 4-6 of this Order meet the requirements of Federal Rule of Civil Procedure 23 and due
7 process, and are the best notice practicable under the circumstances and shall
8 constitute due and sufficient notice to all Persons entitled thereto.

9 4. The firm of Gilardi & Co. LLC (“Claims Administrator”) is hereby
10 appointed to supervise and administer the notice procedure as well as the processing
11 of claims as more fully set forth below.

12 5. Not later than June 4, 2015 (the “Notice Date”), the Claims Administrator
13 shall commence mailing the Notice and Proof of Claim, substantially in the forms
14 annexed hereto, by First-Class Mail to all Class Members who can be identified with
15 reasonable effort, and to be posted on its website at
16 www.questcorsecuritieslitigation.com.

17 6. Not later than June 18, 2015, the Claims Administrator shall cause the
18 Summary Notice to be published once in the national edition of *Investor’s Business*
19 *Daily* and once over *Business Wire*.

20 7. Not later than September 4, 2015, Lead Counsel shall serve on
21 Defendants’ counsel and file with the Court proof, by affidavit or declaration, of such
22 mailing and publishing.

23 8. Nominees who purchased Questcor common stock for the beneficial
24 ownership of Class Members during the Class Period shall send the Notice and the
25 Proof of Claim to all such beneficial owners of Questcor common stock within ten
26 (10) days after receipt thereof, or send a list of the names and addresses of such
27 beneficial owners to the Claims Administrator within ten (10) days of receipt thereof,
28 in which event the Claims Administrator shall promptly mail the Notice and Proof of

1 Claim to such beneficial owners. Lead Counsel shall, if requested, reimburse banks,
2 brokerage houses or other nominees solely for their reasonable out-of-pocket expenses
3 incurred in providing notice to beneficial owners who are Class Members out of the
4 Settlement Fund, which expenses would not have been incurred except for the sending
5 of such notice, subject to further order of this Court with respect to any dispute
6 concerning such compensation.

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

10 10. Class Members who wish to participate in the settlement shall complete
11 and submit Proofs of Claim in accordance with the instructions contained therein.
12 Unless the Court orders otherwise, all Proofs of Claim must be postmarked or
13 submitted electronically no later than September 2, 2015. Any Class Member who
14 does not timely submit a Proof of Claim within the time provided for, shall be barred
15 from sharing in the distribution of the proceeds of the Settlement Fund, unless
16 otherwise ordered by the Court. Notwithstanding the foregoing, Lead Counsel may,
17 in their discretion, accept late-submitted claims for processing by the Claims
18 Administrator so long as distribution of the Net Settlement Fund to Authorized
19 Claimants is not materially delayed thereby.

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

23 12. Any Person falling within the definition of the Class may, upon request,
24 be excluded or “opt out” from the Class. Any such Person must submit to the Claims
25 Administrator a request for exclusion (“Request for Exclusion”), by First-Class Mail,
26 or hand-delivered such that it is postmarked no later than August 21, 2015. A Request
27 for Exclusion must be signed and state (a) the name, address, and telephone number of
28 the Person requesting exclusion; (b) the date, price and number of shares of all of the

1 Person's purchases, acquisitions and sales of Questcor common stock during the Class
2 Period; and (c) that the Person wishes to be excluded from the Class. All Persons who
3 submit valid and timely Requests for Exclusion in the manner set forth in this
4 paragraph shall have no rights under the Stipulation, shall not share in the distribution
5 of the Net Settlement Fund, and shall not be bound by the Stipulation or any final
6 judgment.

7 13. The Claims Administrator or Lead Counsel shall cause to be provided to
8 Defendants' counsel copies of all Requests for Exclusion, as expeditiously as possible
9 and in any event not later than August 28, 2015.

10 14. Any Member of the Class may appear and show cause why the settlement
11 of the Litigation should or should not be approved as fair, reasonable, and adequate,
12 why a judgment should or should not be entered thereon, why the Plan of Allocation
13 should or should not be approved, why attorneys' fees and expenses should or should
14 not be awarded to Lead Counsel, or why the expenses of Plaintiffs should or should
15 not be awarded; provided, however, that no Class Member or any other Person shall
16 be heard or entitled to contest such matters, unless that Person has delivered by hand
17 or sent by First-Class Mail written objections and copies of any papers and briefs such
18 that they are received on or before August 21, 2015, by Robbins Geller Rudman &
19 Dowd LLP, Jeffrey D. Light, 655 West Broadway, Suite 1900, San Diego, CA 92101;
20 Skadden, Arps, Slate, Meagher & Flom LLP, Peter B. Morrison, 300 South Grand
21 Avenue, Los Angeles, CA 90071; Latham & Watkins LLP, Peter A. Wald, 650 Town
22 Center Drive, 20th Floor, Costa Mesa, CA 92626; and Gilardi & Co. LLC, Claims
23 Administrator, P.O. Box 6002, Larkspur, CA 94977. Any Member of the Class who
24 does not make his, her, or its objection in the manner provided shall be deemed to
25 have waived such objection and shall forever be foreclosed from making any
26 objection to the fairness or adequacy of the settlement as set forth in the Stipulation, to
27 the Plan of Allocation, or to the award of attorneys' fees and expenses to Lead
28 Counsel or expenses of Plaintiffs unless otherwise ordered by the Court.

1 15. All funds held by the Escrow Agent shall be deemed and considered to be
2 in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court,
3 until such time as such funds shall be distributed pursuant to the Stipulation and/or
4 further order(s) of the Court.

5 16. All opening briefs and supporting documents in support of the settlement,
6 the Plan of Allocation, and any application by counsel for the Plaintiffs for attorneys'
7 fees and expenses or by Plaintiffs for their expenses shall be filed and served not later
8 than August 7, 2015. Such papers shall be posted on
9 www.questcorsecuritieslitigation.com within two (2) business days of filing. Replies
10 to any objections shall be filed and served not later than September 11, 2015.

11 17. Neither Defendants and their Related Parties nor Defendants' counsel
12 shall have any responsibility for the Plan of Allocation or any application for
13 attorneys' fees or expenses submitted by Plaintiffs' counsel or Plaintiffs, and such
14 matters will be considered separately from the fairness, reasonableness, and adequacy
15 of the settlement.

16 18. At or after the Settlement Hearing, the Court shall determine whether the
17 Plan of Allocation proposed by Lead Counsel, and any application for attorneys' fees
18 or payment of expenses shall be approved.

19 19. All reasonable expenses incurred in identifying and notifying Class
20 Members, as well as administering the Settlement Fund, shall be paid as set forth in
21 the Stipulation. In the event the settlement is not approved by the Court, or otherwise
22 fails to become effective, neither Plaintiffs nor any of their counsel shall have any
23 obligation to repay any amounts incurred and properly disbursed pursuant to ¶¶2.6 or
24 2.8 of the Stipulation.

25 20. Neither the Stipulation, nor any of its terms or provisions, nor any of the
26 negotiations or proceedings connected with it, shall be construed as an admission or
27 concession by Defendants of the truth of any of the allegations in the Litigation, or of
28 any liability, fault, or wrongdoing of any kind.

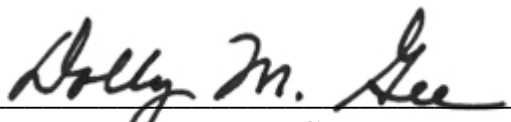
1 21. The Court reserves the right to adjourn the date of the Settlement Hearing
2 without further notice to the Members of the Class, and retains jurisdiction to consider
3 all further applications arising out of or connected with the settlement. The Court may
4 approve the settlement, with such modifications as may be agreed to by the Settling
5 Parties, if appropriate, without further notice to the Class.

6 22. If the Stipulation and the settlement set forth therein is not approved or
7 consummated for any reason whatsoever, the Stipulation and settlement and all
8 proceedings had in connection therewith shall be without prejudice to the rights of the
9 Settling Parties *status quo ante*.

10 23. Pending final determination of whether the proposed settlement should be
11 approved, neither Plaintiffs, nor any Class Member, directly or indirectly,
12 representatively, or in any other capacity, shall commence or prosecute against any of
13 the Released Parties, any action or proceeding in any court or tribunal asserting any of
14 the Released Claims.

15 IT IS SO ORDERED.

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17 DATED: May 27, 2015



DOLLY M. GEE
UNITED STATES DISTRICT JUDGE

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