

**IN THE UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TENNESSEE
GREENEVILLE DIVISION**

**IN RE: KING PHARMACEUTICALS,
INC. SECURITIES LITIGATION**

No. 2:03-CV-77

**THIS DOCUMENT RELATES TO:
All Actions**

District Judge Thomas W. Phillips

Magistrate Judge Dennis H. Inman

~~**[PROPOSED] FINAL JUDGMENT FILE**~~ *JWP*
ORDER APPROVING PLAN OF ALLOCATION

This matter came before the Court for hearing on January 9, 2007, on the application of the parties for approval of the Plan of Allocation set forth in the Stipulation of Settlement dated as of July 31, 2006 (the "Stipulation"). The Court having considered all matters submitted to it at the hearing and otherwise; and it appearing that a description of the Plan of Allocation, contained in the Notice of Pendency of Class Action and Proposed Class Action Settlement, Exhibit B to the Stipulation, Question 8, substantially in the form approved by the Court, was mailed to all persons and entities reasonably identifiable, who purchased King common stock between February 16, 1999, and March 10, 2003, inclusive (the "Class Period"), including all Persons and entities who acquired King common stock pursuant to any offering completed during the Class Period, and were damaged thereby, except those Persons or entities excluded from the definition of the Class, as shown by the records of King's transfer agent, at the respective addresses set forth in such records; and the Court having considered all papers filed and proceedings had herein and otherwise being fully informed in the premises and good cause appearing therefore, IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:

sup

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

2. The proposed Plan of Allocation, as clarified by the Clarification of Plan of Allocation Contained in Notice of Pendency of Class Action and Proposed Class Action Settlement (the "Clarification"), attached hereto as Exhibit A, is APPROVED. The Class Representatives are authorized and directed to utilize the Plan of Allocation as the basis for calculating the Proofs of Claim submitted by Class Members in connection with the Settlement in this Litigation. The Class Representatives are further directed to mail by first class mail the Clarification to all persons or entities reasonably identifiable who exchanged shares of Medco Research, Inc. ("Medco") for shares of King common stock during the Class Period no later than January 16, 2007.^{*sup*} Further, the Court hereby extends the claims deadline for said persons or entities from February 8, 2007 to March 8, 2007.

3. The Court hereby finds and concludes that the Plan of Allocation is fair and reasonable to members of the Class. The Court further finds that the Plan of Allocation is rationally based on the market prices of King common stock during the Class Period and on the study prepared by the Class Representatives' expert consultant, and is further consistent with the Opinions and Orders previously issued by the Court with respect to the claims asserted by the Class Representatives in the Litigation.

4. The finality of any other Judgment or Order entered with respect to the Settlement shall not be affected in any manner by this Order, or any appeal from this Order approving the Plan of Allocation. However, there shall be no distribution of any of the Settlement Amount to any Class Member until this Order becomes final, and is either affirmed on appeal and/or is no

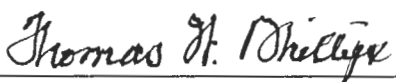
longer subject to review by appeal or certiorari, and the time for any petition for rehearing, appeal or review, whether by certiorari or otherwise, has expired.

5. The notice described herein provided the best notice practicable under the circumstances. Said notice provided due and adequate notice of these proceedings and the matters set forth therein, including the Plan of Allocation, to all persons entitled to such notice, and said notice fully satisfied the requirements of Rule 23 of the Federal Rules of Civil Procedure and the requirements of due process.

6. There is no just reason for delay in the entry of this Order Approving Plan of Allocation, and immediate entry of this Order by the Clerk of the Court is expressly directed pursuant to Rule 54(b) of the Federal Rules of Civil Procedure.

IT IS SO ORDERED.

Dated this 9th day of JAN. 2007.



THE HONORABLE THOMAS W. PHILLIPS
UNITED STATES DISTRICT JUDGE

EXHIBIT A

**IN THE UNITED STATES DISTRICT COURT
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INC. SECURITIES LITIGATION**

No. 2:03-CV-77

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District Judge Thomas W. Phillips

Magistrate Judge Dennis H. Inman

**CLARIFICATION OF PLAN OF ALLOCATION CONTAINED IN NOTICE OF PENDENCY OF
CLASS ACTION AND PROPOSED CLASS ACTION SETTLEMENT**

TO: All persons or entities who purchased King Pharmaceuticals, Inc. ("King") common stock between February 16, 1999, and March 10, 2003, inclusive (the "Class Period"), including all persons or entities who acquired shares of King common stock pursuant to any offering completed during the Class Period, and who were damaged thereby ("Class Members").

You previously were sent the Notice of Pendency of Class Action and Proposed Class Action Settlement (the "Notice"). Included in that Notice, is a Plan of Allocation that describes how the Net Settlement Fund will be allocated among Authorized Claimants. On page 5 of the Notice, Item "C." of Question 8 did not expressly set forth a Recognized Loss for shares of King common stock that were acquired in exchange for shares of Medco Research, Inc. ("Medco") in February 2000. Accordingly, Item C. of Question 8 is clarified as follows:

C. The Recognized Loss per share of King common stock purchased or acquired during the Class Period and held at the close of the Class Period has been determined by Plaintiffs' expert as follows:

1. **Open Market Purchases.** The Recognized Loss per share for King common stock purchased on the open market during the Class Period and held until the end of the Class Period is \$3.66.
2. **Shares Received in Exchange for Shares of Medco.** The Recognized Loss per share for King common stock acquired in exchange for shares of Medco and held until the end of the Class Period is \$3.66.
3. **Shares Acquired Pursuant to the Registration Statement Filed in Connection with the Jones Merger or the Registration Statement Filed in Connection with the Public Offering of King Common Stock that was Completed on November 1, 2001.** The Recognized Loss per share for King common stock acquired pursuant to the registration statement filed in connection with the Jones Merger or the registration statement filed in connection with the public offering of King common stock that was completed on November 1, 2001 and held until the end of the Class Period is \$4.39.

In addition, the Court has extended the deadline to file a proof of claim form for Class members who received shares of King common stock in exchange for shares of Medco stock from February 8, 2007 to March 8, 2007.

This clarification does not affect the recovery per share or attorneys' fees and expenses per share amounts set forth in the Notice.

If you have any questions concerning the Plan of Allocation or any other matter related to the Notice or the Settlement, or if you did not receive the original Notice, please contact:

In re King Pharmaceuticals, Inc. Securities Litigation
c/o A.B. Data, Ltd.
4057 North Wilson Drive
Milwaukee, WI 53211

**DO NOT CALL OR WRITE THE COURT OR THE OFFICE OF THE CLERK OF THE COURT
REGARDING THIS NOTICE.**