In re CTI Biopharma Corp. Securities Litigation

COURT: United States District Court for the Western District of Washington
CASE NUMBER: 2:16-cv-00216-RSL
CLASS PERIOD: 03/09/2015 - 02/09/2016
CASE LEADERS: Jonathan D. Uslaner

This is a class action alleging violations of federal securities law brought on behalf of persons and entities who purchased or otherwise acquired shares of the common stock of CTI BioPharma Corp. ("CTI"), CTI Series N-1 Preferred Stock, or CTI Series N-2 Preferred Stock, other than shares of such securities that traded on an exchange outside the United States, during the period from March 9, 2015 through February 9, 2016, inclusive (the "Class Period").

Lead Plaintiff Has Reach a Settlement for $20 Million

The Court-appointed Lead Plaintiff, DAFNA LifeScience, LP and DAFNA LifeScience Select LP ("DAFNA" or "Lead Plaintiff"), has reached a settlement of this action for $20,000,000 in cash that resolves all claims in the action.

Following a hearing on February 1, 2018, the Court entered an Order and Final Judgment approving the Settlement as fair, reasonable and adequate, entered an order approving the Plan of Allocation for the proceeds of the Settlement, and entered an order awarding attorneys' fees and reimbursement of litigation expenses to Plaintiffs' Counsel.

If you are a member of the Settlement Class, your rights will be affected and you may be eligible for a payment from the settlement. The Settlement Class consists of:

all persons or entities, who during the period from March 9, 2015 through February 9, 2016, inclusive (the "Class Period"), purchased or otherwise acquired any shares of CTI common stock, CTI Series N-1 Preferred Stock, or CTI Series N-2 Preferred Stock, other than shares of such securities that traded on an exchange outside the United States, and were damaged thereby, except for certain persons and entities who are excluded from the Settlement Class by definition (*see*, paragraph 22 of the Notice) or who requested exclusion pursuant to the instructions set forth in the Notice.

Please read the Notice to fully understand your rights. Copies of the Notice and Claim Form can be found on the Case Documents page. You may also visit the Settlement website, www.CTIBioPharmaSecuritiesSettlement.com, for more information about the Settlement.

If you are a member of the Settlement Class, in order to be potentially eligible to receive a payment under the Settlement, you must submit a Claim Form postmarked no later than **February 20, 2018**. Payments to eligible claimants will be made only after the completion of all claims processing. Please be patient, as this process will take some time to complete.

IMPORTANT DEADLINE

February 20, 2018	**Claim Filing Deadline.** Claim Forms must be *postmarked no later than February 20, 2018* to be eligible for a payment from the Settlement.

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Background

In this action, Lead Plaintiff asserted claims under Sections 11, 12(a)(2) and 15 of the Securities Act of 1933 (the "Securities Act") individually and on behalf of all persons and entities who purchased or otherwise acquired CTI BioPharma Corp. ("CTI" or the "Company") securities pursuant or traceable to CTI's October and December 2015 Offering of Series N-1 and N-2 Preferred stock, and were damaged thereby.

In addition, Lead Plaintiff and additional plaintiff Michael Li (collectively, "Plaintiffs") asserted claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act") individually and on behalf of all Settlement Class Members

Lead Plaintiff alleges that CTI misled investors about the safety and efficacy of pacritinib, an alternative drug treatment for myelofibrosis, a blood-related cancer. As set forth in the Complaint, the Defendants made false statements and omitted material facts, including the following: (i) Defendants failed to disclose that in clinical trials there was an increase in the rates of death and serious cardiac events in patients taking pacritinib versus the best available therapy; (ii) Defendants failed to disclose that the independent drug monitoring committee ("IDMC") for the drug trials recommended that CTI terminate the clinical trials due to concerns about patient deaths on pacritinib; and (iii) Defendants failed to disclose that CTI did not follow the IDMC's recommendation to stop the studies but, instead, "decided to discharge" the IDMC due to supposed concerns about the "impartiality" of the original IDMC.

Plaintiffs filed the Consolidated Complaint on November 8, 2016. Defendants moved to dismiss, and Plaintiffs opposed. On September 15, 2017, the Parties entered into the Stipulation and Agreement of Settlement. On February 1, 2018, following a hearing, the Court approved the Settlement as fair, reasonable and adequate and approved the Plan of Allocation for the proceeds of the Settlement.

Case Documents

- December 11, 2018 - Order Approving Distribution Plan
- Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Fairness Hearing; and (III) Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses
- February 1, 2018 – Judgment Approving Class Action Settlement
- February 1, 2018 – Order Approving Plan of Allocation
- February 1, 2018 – Order Awarding Attorneys' Fees and Reimbursement of Litigation Expenses
- December 28, 2017 -- Lead Plaintiff's Motion for Final Approval of the Proposed Settlement, the Plan of Allocation, and Lead Counsel's Request for Attorneys' Fees and Expenses
- December 28, 2017 -- Declaration of David R. Stickney in Support of Lead Plaintiff's Motion for Final Approval of the Proposed Settlement, the Plan of Allocation, and Lead Counsel's Request for Attorneys' Fees and Expenses
- October 24, 2017 - Order Preliminarily Approving Settlement and Providing for Notice
- September 15, 2017 - Stipulation and Agreement of Settlement

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- November 8, 2016 - Consolidated Class Action Complaint

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