

**UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE**

KENNETH MCGUIRE and DAVID WILCZYNSKI, on Behalf  
of Themselves and All Others Similarly Situated,

Plaintiffs,

vs.

DENDREON CORPORATION, a Delaware Corporation,  
MITCHELL GOLD, and DAVID URDAL,

Defendants.

Civil Action No. C07-800 MJP

CLASS ACTION

**NOTICE OF PROPOSED SETTLEMENT OF CLASS ACTION**

**To: All persons and entities who purchased the common stock of Dendreon Corporation between March 29, 2007 and May 8, 2007, both dates inclusive.**

**PLEASE READ THIS NOTICE CAREFULLY.**

**YOUR RIGHTS WILL BE AFFECTED BY A CLASS ACTION LAWSUIT PENDING IN THIS COURT.**

PLEASE NOTE THAT IF YOU ARE A MEMBER OF THE CLASS, YOU MAY BE ENTITLED TO SHARE IN THE PROCEEDS OF THE SETTLEMENT DESCRIBED IN THIS NOTICE. TO CLAIM YOUR SHARE, YOU MUST TIMELY **SUBMIT A VALID PROOF OF CLAIM POSTMARKED NO LATER THAN MARCH 10, 2011**, IN CONNECTION WITH THIS SETTLEMENT. THE PROOF OF CLAIM DOES NOT ACCOMPANY THIS NOTICE. YOU MAY REQUEST ONE FROM THE CLAIMS ADMINISTRATOR, AS EXPLAINED BELOW.

**I. SUMMARY OF THIS NOTICE**

This Notice has been sent to you pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Western District of Washington (the "Court"). The purpose of this Notice is to inform you of the proposed settlement of a class action lawsuit (the "Action"), as set forth in the Stipulation of Settlement ("Stipulation" or "Settlement"), and of the hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the Settlement. This Notice is not intended to be, and should not be understood as, an expression of any opinion by the Court concerning the merits of the Action. This Notice describes the rights you may have in connection with the Settlement and what steps you may take in relation to the Settlement.

The proposed Settlement creates a fund in the amount of \$16,500,000, or approximately \$0.2224 per share before deductions of attorneys' fees, costs, and expenses. Plaintiffs and Defendants disagree on the potential liability of Defendants and they do not agree on the average amount of damages per share, if any, that would be recoverable if Plaintiffs were to have prevailed at trial on each claim alleged. Plaintiffs and Class Counsel believe that the proposed Settlement is an excellent recovery and is in the best interests of the Class in light of the risks associated with continuing to litigate and proceeding to trial. If the Settlement is approved by the Court, Class Counsel will apply to the Court for an initial award of attorneys' fees not to exceed 25% of the Settlement Fund and reimbursement of out-of-pocket expenses. You may contact the Claims Administrator or a representative of Class Counsel for further information about the Settlement; see below under "Further Information" for the contact information.

**Statement of Plaintiff Recovery** – The proposed Settlement with Defendants creates a fund in the amount of \$16,500,000 in cash, which will include interest that accrues prior to distribution (the "Settlement Fund"). Your recovery from this fund will depend on a number of variables, including the number of shares of Dendreon common stock you purchased during the Class Period and the timing of your purchases and any sales. Based on Class Counsel's estimate of the number of shares of stock that may have been damaged by the alleged fraud, and assuming that all those shares participate in the Settlement, plaintiffs estimate that the average recovery would be approximately \$0.2224 per share. This estimate is before deduction of any court-awarded expenses, such as attorneys' fees and out-of-pocket expenses, the expenses of the Class Representatives, and the cost of sending this Notice and administering the distribution of the settlement proceeds.

**Statement of Potential Outcome of Case** – Plaintiffs and Defendants disagree on the potential liability of Defendants and they do not agree on the average amount of damages per share, if any, that would be recoverable if Plaintiffs were to have prevailed at trial on each claim alleged. Defendants deny that they are liable in any respect or that Plaintiffs suffered any injury. The issues on which the parties disagree include: (1) whether any Defendant engaged in any conduct subject to challenge under the federal securities laws; (2) the amount by which Dendreon common stock was allegedly artificially inflated (if at all) during the Class Period; (3) the effect of various market forces influencing the trading price of Dendreon common stock at various times during the Class Period; (4) the extent to which the various matters that Plaintiffs alleged were materially false or misleading influenced (if at all) the trading price of Dendreon common stock during the Class Period; (5) the extent to which the various allegedly adverse material facts that Plaintiffs alleged were omitted influenced (if at all) the trading price of Dendreon common stock during the Class Period; (6) whether the statements made or facts allegedly omitted were material, false, misleading, or otherwise actionable under the securities laws; and (7) whether, even if liability could be proven, total damages would be greater than \$0.

**Statement of Attorneys' Fees and Costs Sought** – Class Counsel have committed a substantial amount of time prosecuting claims against Defendants on behalf of Plaintiffs, the Class, and the Subclass. In addition, they have not been reimbursed for out-of-pocket expenses. If the Settlement is approved by the court, Class Counsel will apply to the court for an initial award of attorneys' fees not to exceed 25% of the Settlement Fund and reimbursement of out-of-pocket expenses not to exceed \$750,000, to be paid from the Settlement Fund. This amount includes up to \$20,000 for the reasonable costs and expenses (including lost wages) relating to each Plaintiffs' representation of the Class and Subclass. If the amounts described above are requested and approved by the Court, the average cost per share will be less than \$0.0657 per share.

**Reasons for Settlement** – The Class Representatives and Subclass Representative believe that the proposed settlement with Defendants is an excellent recovery and is in the best interests of the Class and Subclass. Because of the risks associated with continuing to litigate and proceeding to trial, there was a danger that the Class and Subclass would not have prevailed on their claims against Defendants, in which case the Class and Subclass would receive nothing from Defendants. The amount of damages recoverable by the Class and Subclass was and is challenged by Defendants. Recoverable damages in this case are limited to losses caused by conduct actionable under applicable law and, had the Action gone to trial, Defendants would have asserted that all or most of the losses of Class and Subclass members were caused by non-actionable conduct or market, industry, or general economic factors. Defendants would also assert, among other things, that their conduct complied with all applicable legal standards and that they did not act with the required state of mind to be liable for any violations of the federal securities laws.

**Further Information** – You may contact a representative of Class Counsel for further information about the Settlement by calling the following toll-free number: 1-888-226-8151. You also may email Class Counsel at the following email address: [DendreonClassAction@gilardi.com](mailto:DendreonClassAction@gilardi.com). Any written inquiries about the Action should be addressed to Class Counsel at:

*McGuire, et al. v. Dendreon Corporation, et al.*, Class Action  
CLASS COUNSEL CORRESPONDENCE  
c/o Gilardi & Co., LLC  
P.O. Box 5100  
Larkspur, California 94977-5100

## **II. NOTICE OF HEARING ON PROPOSED SETTLEMENT**

A settlement hearing will be held on December 17, 2010, at 1:30 p.m., before the Hon. Marsha J. Pechman, United States District Judge, at the United States Courthouse, 700 Stewart Street, Seattle, Washington 98101 (the “Settlement Hearing”). The purpose of the Settlement Hearing will be to determine: (1) whether the Settlement consisting of \$16,500,000 in cash should be approved as fair, reasonable, and adequate to the Class and the proposed Judgment entered; and (2) whether the applications for attorneys’ fees and expenses should be approved. The Court may adjourn or continue the Settlement Hearing without further notice to the Class.

## **III. CERTAIN DEFINITIONS USED IN THIS NOTICE**

“Authorized Claimant” means any Class Member whose claim for recovery has been allowed pursuant to the terms of the Stipulation.

“Class” means all persons and entities who purchased the common stock of Dendreon Corporation between March 29, 2007 and May 8, 2007 (the “Class Period”), both dates inclusive. “Subclass” means all persons and entities who purchased the common stock of Dendreon Corporation on April 2, 2007. The Class and Subclass will collectively be referred to in this Notice as the “Class.” Excluded from the Class and Subclass are Defendants, the officers and directors of Dendreon, members of their immediate families, and the heirs, successors, or assigns of any of the foregoing. Also excluded from the Class and Subclass are those persons and entities found by the Court in the Judgment to have timely and validly requested exclusion from the Class in accordance with the prior Notice of Pendency of Class Action.

“Class Member” means a Person who falls within the definition of the Class. “Subclass Member” means a Person who falls within the definition of the Subclass.

“Defendants” means Dendreon Corporation, Mitchell Gold, and David Urdal.

“Dendreon” means Dendreon Corporation.

“Person” means an individual, corporation, partnership, limited partnership, association, joint stock company, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any business or legal entity and their spouses, marital communities, heirs, predecessors, successors, representatives, or assignees.

“Plan of Allocation” means the plan or formula of allocation of the Settlement Fund among the claims alleged in the Action (including the disclosure and control person claims under Sections 10(b) and 20(a) of the Exchange Act, respectively, and the insider trading claim against Dr. Gold under Sections 10(b) and 20A of the Exchange Act), to be approved by the Court, whereby the Settlement Fund shall be distributed to Authorized Claimants after payment of expenses of notice and administration of the Settlement, Taxes and Tax Expenses, and such attorneys’ fees, costs, expenses and interest as may be awarded by the Court (“Net Settlement Fund”). The Plan of Allocation is not part of the Stipulation. The Settlement fully and completely settles all claims alleged in the Action. The allocation of the Settlement Fund among such claims is solely the responsibility of the Class Representatives and Subclass Representative. Defendants and their Related Parties shall have no responsibility therefore or liability with respect thereto, and the choice of the Class Representatives and Subclass Representative regarding the allocation of the Settlement Fund do not affect the scope of the releases provided for in the Stipulation.

“Related Parties” means each of a Defendant’s past or present directors, officers, employees, partners, insurers, co-insurers, reinsurers, agents, controlling shareholders, attorneys, accountants, auditors, advisors, investment advisors, personal or legal representatives, predecessors, successors, assigns parents, subsidiaries, divisions, joint ventures, assigns, spouses, marital communities, heirs, related or affiliated persons or entities, any entity in which a Defendant has a controlling interest, any members of a Defendant’s immediate family, or any trust of which a Defendant is the settlor or which is for the benefit of a Defendant’s family.

“Released Claims” means all claims (including Unknown Claims as defined below) and causes of action of every nature and description, whether known or unknown, whether arising under federal, state, or common law, whether brought directly or derivatively, that Plaintiffs or any Class Member asserted in the Third Amended Complaint, or could have asserted against

any of Defendants or their Related Parties, by virtue of purchases made or ownership of Dendreon common stock during the Class Period, based upon or arising out of any facts, allegations, or claims set forth in the Third Amended Complaint.

“Released Persons” means Defendants and each and all of their Related Parties.

“Released Persons’ Claims” means all claims (including Unknown Claims as defined below), and causes of action of every nature and description, whether known or unknown, whether arising under federal, state, or common law, whether brought directly or derivatively, that have been or could have been asserted in the Action or any forum by the Released Persons or any of them or the successors and assigns of any of them against any of the Plaintiffs, Class Members, or their respective attorneys, including Class Counsel, that arise out of or relate in any way to the institution, prosecution, assertion, settlement, or resolution of the Action (except for claims to enforce the Settlement).

“Unknown Claims” means all claims, demands, rights, liabilities, and causes of action of every nature and description which the Plaintiffs or any Class Member does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Persons, and any Released Persons’ Claims that Defendants or any other Released Person does not know or suspect to exist in his, her, or its favor at the time of the release of Plaintiffs, Class Members, or their respective attorneys, including Class Counsel, which, if known by him, her, or it, might have affected his, her, or its settlement with and/or release of the Released Persons, or might have affected his, her or its decision not to object to this Settlement. With respect to any and all Released Claims and Released Persons’ Claims, the Settling Parties stipulate and agree that, upon the Effective Date, Plaintiffs and each of the Released Persons shall expressly waive, and each of the Class Members shall be deemed to have waived, and by operation of the Judgment shall have waived, the provisions, rights and benefits of California Civil Code § 1542, which provides:

A general release does not extend to claims which 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 and each of the Released Persons shall expressly waive and each of the Class Members shall be deemed to have waived, and by operation of the Judgment shall have expressly waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law, which is similar, comparable, or equivalent to California Civil Code § 1542. Plaintiffs and Class Members may hereafter discover facts in addition to or different from those which he, she, or it now knows or believes to be true with respect to the subject matter of the Released Claims, and Defendants and other Released Persons may hereafter discover facts in addition to or different from those which he, she, or it now knows or believes to be true with respect to the subject matter of the Released Persons’ Claims, but the Plaintiffs and each of the Released Persons shall expressly fully, finally, and forever settle and release, and each Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released, any and all Released Claims and Released Persons’ Claims, as applicable, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Plaintiffs and each of the Released Persons acknowledge, and the Class Members shall be deemed by operation of the Judgment to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement of which this release is a part.

#### **IV. THE LITIGATION**

Currently pending before the United States District Court for the Western District of Washington (the “Court”) is a consolidated action on behalf of all persons who purchased the common stock of Dendreon Corporation during a defined period of time. The Class Representatives are Kenneth McGuire and David Wilczynski (“Plaintiffs”). The defendants named in the action are Dendreon Corporation; Dr. Mitchell Gold, Dendreon’s Chief Executive Officer; and Dr. David Urdal, Dendreon’s Chief Scientific Officer.

Commencing in May of 2007, several securities fraud class actions were filed against Dendreon and various individual defendants by, and on behalf of, purchasers of Dendreon securities who purchased such securities during the time period covering March 30, 2007 through May 8, 2007. One action, commenced on June 6, 2007, by Kenneth McGuire and others, initially alleged a longer class period covering March 1, 2007 through May 8, 2007. These actions alleged that Defendants violated the federal securities laws. On October 4, 2007, these actions were consolidated for all purposes by an Order of the Court.

Plaintiff Kenneth McGuire (the “Lead Plaintiff”) was appointed as the lead plaintiff pursuant to the Private Securities Litigation Reform Act of 1995 (“PSLRA”) by an Order of the Court on October 4, 2007. By the same Order of the Court, dated October 4, 2007, Marc M. Seltzer of Susman Godfrey L.L.P. was appointed as Lead Counsel for the Class. On November 30, 2007, Lead Plaintiff designated as the operative complaint the complaint filed on June 6, 2007 with the caption and case number *McGuire, et al. v. Dendreon Corporation, et al.*, Case No. C07-0869-RSM.

On December 21, 2007, Defendants moved to dismiss Lead Plaintiff’s complaint. On April 18, 2008, the Court granted Defendants’ motion with leave to amend. On June 2, 2008, Lead Plaintiff filed a first amended complaint (the “First Amended Complaint”). On July 2, 2008, Defendants moved to dismiss the First Amended Complaint. On December 5, 2008, the Court granted in part and denied in part Defendants’ motion with leave to amend. On January 5, 2009, Lead Plaintiff and David Wilczynski filed a second amended complaint (the “Second Amended Complaint”) against Defendants. On January 29, 2009, Defendants moved to dismiss the Second Amended Complaint. On May 21, 2009, the Court granted in part and denied in part Defendants’ motion with leave to amend.

On June 8, 2009, Lead Plaintiff and David Wilczynski filed their third amended complaint (the “Third Amended Complaint”) alleging a class period covering March 29, 2007 through May 8, 2007. Defendants answered the Third Amended Complaint, and it is the currently operative complaint in this action.

The Third Amended Complaint alleges, among other things, that Dendreon and the individual defendants, who were controlling persons of Dendreon, made false and misleading statements and omissions of material fact to the investing public, thereby artificially inflating the market price of Dendreon's common stock and damaging members of the Class. In particular, the Third Amended Complaint alleges that, on March 29, 2007, during a conference call with securities analysts and other members of the investing public, Dr. Urdal said, among other things, that Dendreon had "hosted a good inspection, I think," in response to a question about an inspection by the United States Food and Drug Administration (the "FDA") of Dendreon's manufacturing facility in New Jersey in February 2007 in conjunction with Dendreon's biologics license application for its Provenge (sipuleucel-T) product. Plaintiffs allege that Dr. Urdal's statement was materially false and misleading in that he failed to disclose that the FDA had identified significant objectionable conditions during that inspection and had issued a Form 483 to Dendreon afterwards. Plaintiffs allege that Defendants concealed and misrepresented the result of the FDA inspection and disclosed the fact of the issuance of the Form 483 only at the end of the Class Period. The Third Amended Complaint alleges that, as a result of the alleged misrepresentation, Defendants violated Section 10(b) of the Securities and Exchange Act of 1934 ("Exchange Act"), and that Dr. Urdal and Dr. Gold were liable as control persons under Section 20(a) of the Exchange Act. The Third Amended Complaint also alleges that Dr. Gold engaged in illegal insider selling of Dendreon common stock in violation of Section 10(b) and Section 20A of the Exchange Act.

On July 6, 2009, Defendants answered the Third Amended Complaint. Defendants denied Plaintiffs' claims and asserted multiple affirmative defenses.

On January 14, 2010, Lead Plaintiff and Mr. Wilczynski moved the Court for an order certifying the Class and Subclass pursuant to Rule 23. By its Order dated May 27, 2010, the Court certified the Class and Subclass and appointed Kenneth McGuire and David Wilczynski as Class Representatives, David Wilczynski as Subclass Representative, and their counsel of record—Susman Godfrey L.L.P.—as Class Counsel.

On August 2, 2010, the Court appointed Gilardi & Co., LLC, as the Notice Administrator and ordered the Notice Administrator to mail the Notice of Pendency of Class Action, in the approved form, to all Class Members who could be identified with reasonable effort. The Court further ordered the Notice Administrator to post the Notice of Pendency of Class Action on a website and to publish a Summary Notice of Pendency of Class Action, in the approved form. In accordance with the Court's Order, the Notice Administrator mailed the Notice of Pendency of Class Action to 69,223 potential Class Members, posted the Notice of Pendency of Class Action on its website, and published the Summary Notice of Pendency of Class Action in *Investor's Business Daily* and on *Business Wire*. Pursuant to the Court's Order, Class Members were notified of their opportunity to request exclusion from the Class, the time for which has now expired.

Pretrial discovery is complete. Fact and expert discovery in the Action has been extensive. During the course of the litigation, Defendants produced to Plaintiffs more than 550,000 pages of documents, and the total document production by parties and non-parties amounts to approximately 570,000 pages. The parties have deposed 19 different witnesses, including 14 witnesses associated with Defendants. In addition, to date, the parties have exchanged 12 expert reports and have taken 6 expert depositions.

On June 21, 2010, Defendants filed a motion for partial summary judgment. On July 19, 2010, Plaintiffs responded to the motion. On July 30, 2010, Defendants filed their reply. The motion has not been decided. At the time the parties agreed to settle this Action, a jury trial had been set to commence on October 18, 2010.

On August 21, 2010, the parties held a day-long mediation with Hon. Daniel Weinstein, Judge of the California Superior Court (Ret.). Following the mediation, the parties engaged in extensive, arm's-length negotiations under Judge Weinstein's supervision. On or about September 16, 2010, the parties agreed to settle the Action on the terms set forth herein.

#### **V. CLAIMS OF THE CLASS AND BENEFITS OF SETTLEMENT**

Plaintiffs believe that the claims asserted in the Action against Defendants have merit and that the evidence developed to date supports those claims. However, Plaintiffs recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Action against Defendants through trial and through appeals. Plaintiffs also have taken into account the uncertain outcome and the risk of any litigation, especially in complex actions such as this Action, as well as the difficulties and delays inherent in such litigation. Plaintiffs also are mindful of the inherent difficulties of proof under and possible defenses to the securities law violations asserted in the Action. The Class Representatives believe that the settlement set forth in the Stipulation confers substantial benefits upon the Class, and the Subclass Representative believes that the settlement set forth in the Stipulation confers substantial benefits upon the Subclass. Based on their evaluation, the Class Representatives have determined that the settlement set forth in the Stipulation is in the best interests of the Class, and the Subclass Representative has determined that the settlement set forth in the Stipulation is in the best interests of the Subclass.

#### **VI. DEFENDANTS' DENIALS OF WRONGDOING AND LIABILITY**

Defendants expressly have denied and continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts, or omissions alleged, or that could have been alleged, in the Action. Defendants also continue to believe the claims asserted against them in the Third Amended Complaint are without merit. Defendants also have denied and continue to deny, among other things, the allegations that the Class Representatives or the Class have suffered damages, that the prices of Dendreon securities were artificially inflated by reasons of alleged misrepresentations, non-disclosures or otherwise, and that the Class Representatives or the Class were harmed by the conduct alleged in the Third Amended Complaint or its predecessor complaints. Nonetheless, Defendants have agreed to enter into the Settlement solely to avoid the expense, distraction, and time associated with continuing the Action. Defendants have concluded that further conduct of the Action would be protracted and expensive and that it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions set forth in this Stipulation. Defendants also have taken into account the uncertainty and risks inherent in any litigation, especially in complex cases such as this Action. Defendants

have, therefore, determined that it is desirable and beneficial to them that the Action be settled in the manner and upon the terms and conditions set forth in this Stipulation.

### **VII. TERMS OF THE PROPOSED SETTLEMENT**

Dendreon has paid, or caused to be paid, cash in the amount of \$16,500,000 into an escrow account, which will earn interest for the benefit of the Class, pursuant to the terms of the Stipulation. In exchange for such payment, the Released Claims will be released, discharged, and dismissed with prejudice as against each of the Released Persons.

A portion of the Settlement Fund will be used for certain administrative expenses, including the costs of printing and mailing this Notice, the cost of publishing newspaper notices, payment of any taxes assessed against the Settlement Fund and costs associated with the processing of claims submitted. In addition, as explained herein, a portion of the Settlement Fund may be awarded by the Court to reimburse the Class Representatives for their costs and expenses and to award Class Counsel attorneys' fees and expenses. The balance of the Settlement (the "Net Settlement Fund") will be distributed to Authorized Claimants according to the Plan of Allocation described below.

### **VIII. THE RIGHTS OF CLASS MEMBERS**

If you are a Member of the Class, you may receive the benefit of, and you will be bound by, the terms of the proposed settlement described in this Notice, upon the Court's approval of it.

If you are a Class Member, you have the following options:

1. You may file a Proof of Claim. If you submit a Proof of Claim, you will share in the proceeds of the proposed settlement if your claim is valid and if the proposed settlement is finally approved by the Court. In addition, you will be bound by the Judgment and release described below.
2. You may object to the Settlement, unless you have previously requested to be excluded from the Class. (See Section XIV, below.) However, if your objection is rejected, you will be bound by the Settlement and the Judgment just as if you had not objected.
3. You may do nothing at all. If you choose this option, you will not share in the proceeds of the Settlement, but you will be bound by any judgment entered by the Court in connection with the Settlement, and you shall be deemed to have, and by operation of the Judgment shall have, fully released all of the Released Claims against the Released Persons.
4. If you are a Class Member, you may, but are not required to, enter an appearance through counsel of your own choosing at your own expense. If you do not do so, you will be represented by Class Counsel, who are:

Marc M. Seltzer  
Ryan C. Kirkpatrick  
**SUSMAN GODFREY L.L.P.**  
Los Angeles, CA 90067

Drew D. Hansen  
Daniel Jeffrey Shih  
Jordan Connors  
**SUSMAN GODFREY L.L.P.**  
Seattle, WA 98101

You will not be charged personally for the services of Class Counsel.

### **IX. PLAN OF ALLOCATION**

The Net Settlement Fund will be distributed to Class Members who submit valid and timely Proofs of Claim in connection with this Settlement, and have an allowable loss under the Plan of Allocation described below. You will be eligible to participate in the distribution only to the extent you had net purchases of shares of Dendreon common stock during the Class Period. That is, your eligible shares ("Eligible Net Shares Purchased") are limited to those you purchased during the Class Period and continued to own at the end of the Class Period, with all sales of shares during the Class Period matched against purchases during the Class Period. For all purposes, the transaction date and not the settlement date shall be used as the date for determining eligibility to file a claim. Gifts and transfers of securities are not eligible purchases. The covering purchase of a "short" sale is not an eligible purchase. No distributions will be made to Authorized Claimants who would otherwise receive a distribution of less than \$10.00.

For purposes of determining the amount an Authorized Claimant may recover under the Plan of Allocation, Class Counsel have consulted with their damages expert. The Court may modify the Plan of Allocation without further notice to the Class. The Court has also reserved jurisdiction to allow, disallow or adjust the claim of any Class Member on equitable grounds.

Payment pursuant to the Plan of Allocation set forth below shall be conclusive against all Authorized Claimants. No Person shall have any claim against Class Counsel, the Settling Parties, or the Claims Administrator or other Person designated by Class Counsel based on distributions made substantially in accordance with the Stipulation and the Settlement contained therein, the Plan of Allocation, or further orders of the Court. All Class Members who have failed to complete and file a valid and timely Proof of Claim in this Settlement shall be barred from participating in distributions from the Net Settlement Fund (unless otherwise ordered by the Court), but otherwise shall be bound by all of the terms of the Stipulation, including the terms of the Judgment entered and the releases given.

Subject to the foregoing, under the Plan of Allocation, each Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each Authorized Claimant's Eligible Net Shares Purchased bears to the total of the Eligible Net Shares Purchased of all Authorized Claimants ("pro rata share").

### **X. PARTICIPATION IN THE SETTLEMENT**

TO PARTICIPATE IN THE DISTRIBUTION OF THE NET SETTLEMENT FUND, YOU MUST TIMELY COMPLETE AND RETURN A VALID PROOF OF CLAIM IN CONNECTION WITH THIS SETTLEMENT.

A Proof of Claim is not being sent with this Notice. If you are a Class Member and need a Proof of Claim, copies may be obtained by telephoning the Claims Administrator at 1-888-226-8151 or by downloading the form on the Internet at [www.gilardi.com/dendreon](http://www.gilardi.com/dendreon).

The Proof of Claim, with all supporting documents (DO NOT SEND ORIGINALS), must be postmarked no later than March 10, 2011, and delivered to the Claims Administrator at the address below. DO NOT SEND a Proof of Claim to counsel for the Settling Parties or the Court.

*McGuire, et al. v. Dendreon Corporation, et al.*, Class Action  
PROOF OF CLAIM  
c/o Gilardi & Co., LLC  
Claims Administrator  
P.O. Box 5100  
Larkspur, California 94977-5100

Unless the Court orders otherwise, if you do not timely submit a valid Proof of Claim, you will be barred from receiving any payment from the Net Settlement Fund, but will in all other respects be bound by the provisions of the Stipulation and the Judgment. The Court may disallow or adjust the claim of any Class Member. Each claimant will be deemed to have submitted to the jurisdiction of the United States District Court for the Western District of Washington with respect to his, her, or its Proof of Claim.

#### **XI. DISMISSAL AND RELEASES**

If the proposed settlement is approved, the Court will enter a Final Judgment and Order of Dismissal with Prejudice ("Judgment"). The Judgment will dismiss the Released Claims with prejudice as to the Released Persons. The Judgment will provide that all Class Members shall be deemed to have released and forever discharged all Released Claims against all Released Persons and that the Released Persons shall be deemed to have released and discharged all Released Persons' Claims against Plaintiffs, Class Counsel, and Class Members.

#### **XII. APPLICATION FOR ATTORNEYS' FEES AND EXPENSES**

At the Settlement Hearing, Class Counsel will request that the Court award attorneys' fees in an amount not to exceed 25% of the Settlement Fund, plus their costs and expenses in an amount not to exceed \$750,000, which were incurred and not previously reimbursed in connection with prosecuting the claims in the Action, plus interest. Class Counsel's fee application is on file with the Court and is available for download at [www.gilardi.com/dendreon](http://www.gilardi.com/dendreon). In addition, Class Counsel will request an amount not to exceed \$20,000 be paid to each of the Class Representatives for their services in representing the Class. All such sums as may be approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for any such fees, costs, or expenses.

Class Counsel have committed a substantial amount of time prosecuting claims on behalf of Plaintiffs and the Class. In addition, they have not been reimbursed for any of their costs and expenses. The amounts requested by Class Counsel will compensate counsel for their efforts in achieving the Settlement for the benefit of the Class, and for their risk in undertaking this representation on a wholly contingent basis. The amount to be requested is well within the range of fees awarded to plaintiffs' counsel under similar circumstances in other litigations of this type. Class Counsel may thereafter from time to time apply to the Court, without further notice to the Class, for an additional award of attorneys' fees and costs incurred in connection with administering the Settlement. All such awards shall be subject to the approval of the Court.

#### **XIII. CONDITIONS FOR SETTLEMENT**

The Settlement is conditioned upon the occurrence of certain events described in the Stipulation. Those events include, among other things: (1) entry of the Judgment by the Court, as provided for in the Stipulation and (2) expiration of the time to appeal from or alter or amend the Judgment. If, for any reason, any one of the conditions described in the Stipulation is not met or the Stipulation otherwise does not become effective or, under certain specified conditions, the Stipulation is terminated and, thereby, becomes null and void, the parties to the Stipulation will be restored to their respective positions as of September 16, 2010.

#### **XIV. THE RIGHT TO OBJECT AND BE HEARD AT THE HEARING**

Any Class Member who has not excluded himself, herself, or itself from the Class can object to the Settlement or any part of it, the application for expenses by the Class Representatives, and the application by Class Counsel for attorneys' fees and expenses. To object, any such Person must submit a written objection and copies of any papers and briefs so they are received on or before December 10, 2010, by each of the following:

Clerk of the Court  
Western District of Washington  
U.S. Courthouse, Lobby Level  
700 Stewart Street  
Seattle, Washington 98101

*Counsel for Plaintiffs and Class Counsel*

Susman Godfrey L.L.P.  
Marc M. Seltzer  
1901 Avenue of the Stars, Suite 950  
Los Angeles, California 90067

*Counsel for Mitchell Gold*

McNaul Ebel Nawrot & Helgren PLLC  
Robert M. Sulkin  
600 University Street, Suite 2700  
Seattle, Washington 98101

*Counsel for Dendreon Corporation*

Wilson Sonsini Goodrich & Rosati  
Barry M. Kaplan  
701 Fifth Avenue, Suite 5100  
Seattle, Washington 98104

*Counsel for David Urdal*

Yarmuth Wilsdon Calfo PLLC  
Richard C. Yarmuth  
818 Stewart Street, Suite 1400  
Seattle, Washington 98101

Any written objection must demonstrate the objecting Person's membership in the Class, including the amount of Dendreon common stock purchased during the Class Period and held at the end of the Class Period, and contain a statement of the reasons for objection. Only Members of the Class who have submitted written objections in this manner will be entitled to be heard at the Settlement Hearing, unless the Court orders otherwise. Persons who intend to object to the Settlement 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 any exhibits they intend to introduce into evidence at the Settlement Hearing.

If you wish to attend the Settlement Hearing in person and speak to the Court, you must ask the Court for permission. To do so, you must submit a written statement noting your intention to appear at the Settlement Hearing to the persons noted above so that it is received on or before December 10, 2010.

**XV. SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES**

If you purchased Dendreon common stock (NASDAQ: DNDN) between March 29, 2007 and May 8, 2007, both dates inclusive, for the beneficial interest of a person or entity other than yourself, THE COURT HAS DIRECTED THAT WITHIN SEVEN DAYS OF YOUR RECEIPT OF THIS NOTICE, you either (a) provide to the Claims Administrator identified below the name and last known address of each person or entity for whom or which you purchased Dendreon common stock during such time period or (b) request additional copies of this Notice, which will be provided to you free of charge, and within seven days mail the Notice directly to the beneficial owners of that Dendreon common stock. If you select option (a) above, the Claims Administrator will cause copies of this Notice to be forwarded to the beneficial owners of common stock referred to herein. 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. All communications concerning the foregoing should be addressed to the Claims Administrator:

*McGuire, et al. v. Dendreon Corporation, et al.*, Class Action  
BROKER-NOMINEE MAILING  
c/o Gilardi & Co., LLC  
Claims Administrator  
P.O. Box 5100  
Larkspur, California 94977-5100  
1-888-226-8151

You are entitled to reimbursement for your reasonable expenses actually incurred in complying with the foregoing, including reimbursement of reasonable postage expenses and the reasonable costs of obtaining the names and addresses of beneficial owners. Those reasonable expenses and costs will be paid upon request and submission of appropriate supporting documentation. All requests for reimbursement should be sent to the Claims Administrator.

**XVI. EXAMINATION OF PAPERS**

This Notice is a summary and does not describe all of the details of the Stipulation. For full details of the matters discussed in this Notice, you may review the Stipulation filed with the Court, which may be inspected during business hours, at the office of the Clerk of the Court, Western District of Washington, U.S. Courthouse, Lobby Level, 700 Stewart Street, Seattle, Washington 98101 or at [www.gilardi.com/dendreon](http://www.gilardi.com/dendreon).

If you have any questions about the Settlement, you may contact Class Counsel by calling the following toll-free number: 1-888-226-8151. You also may email Class Counsel at the following email address: [DendreonClassAction@gilardi.com](mailto:DendreonClassAction@gilardi.com). Any written inquiries about the Action should be addressed to Class Counsel at:

*McGuire, et al. v. Dendreon Corporation, et al.*, Class Action  
CLASS COUNSEL CORRESPONDENCE  
c/o Gilardi & Co., LLC  
P.O. Box 5100  
Larkspur, California 94977-5100

***PLEASE DO NOT CONTACT THE COURT REGARDING THIS NOTICE.***

Dated: November 3, 2010

BY THE ORDER OF THE UNITED STATES DISTRICT COURT FOR  
THE WESTERN DISTRICT OF WASHINGTON

*McGuire, et al. v. Dendreon Corporation, et al.*, Class Action  
c/o Gilardi & Co., LLC  
Claims Administrator  
P.O. Box 5100  
Larkspur, California 94977-5100

**Important Legal Document.**

**DENDREON**