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**UNITED STATES DISTRICT COURT**  
**DISTRICT OF NEVADA**

IN RE: SPECTRUM PHARMACEUTICALS, INC.  
DERIVATIVE SHAREHOLDER LITIGATION

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This Document Relates to ALL ACTIONS

Master File No. 2:13-cv-00624-  
JAD-CWH

(Consolidated with: 2:13-cv-  
00684-JAD-CWH; and 2:13-cv-  
00942-JAD-CWH)

Hon. Jennifer A. Dorsey

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**JOINT STATUS REPORT IN RESPONSE TO**  
**THE ORDER TO SHOW CAUSE DATED SEPTEMBER 2, 2016**

11       **WHEREAS**, by Order dated September 2, 2016 (D.E. 26), this Court ordered that “the parties  
12 must show cause, in writing, no later than September 13, 2016, why this case should not be dismissed.

13 **Failure to show cause will result in the dismissal of these consolidated cases without further**  
14 **notice.”** (Emphasis in Order);

15       **WHEREAS**, beginning on April 11, 2013, three federal shareholder derivative complaints were  
16 filed in this Court against the individual defendants and nominal defendant Spectrum Pharmaceuticals,  
17 Inc.: Fik v. Shrotriya, et al., No. 2:13-cv-00624-JAD-CWH; Watkins v. Shrotriya, et al., No. 2:13-cv-  
18 00684-JAD-CWH; and Muenchhagen v. Shrotriya, et al., No. 2:13-cv-00942-JAD-CWH (collectively,  
19 the “Derivative Actions”). The Derivative Actions generally allege breaches of fiduciary duty, unjust  
20 enrichment, abuse of control, gross mismanagement, and waste of corporate assets relating to  
21 allegations in the securities class action entitled In re: Spectrum Pharmaceuticals, Inc., Securities  
22 Litigation, No. 2:13-cv-00433-LDG-CWH (the “Securities Class Action”), which was pending before  
23 the Honorable Lloyd D. George and has now settled;

24       **WHEREAS**, on May 15, 2013, the Court entered an Order (the “May 15, 2013 Order”)  
25 consolidating and staying the first two Derivative Actions pending resolution of the Securities Class  
26 Action, but allowing the parties to lift the stay following a final ruling on defendants’ motion to dismiss  
27 in the Securities Class Action. The Court also appointed the Derivative Plaintiff Timothy J. Fik as  
28 Lead Plaintiff, Federman & Sherwood as Lead Counsel, Bailey Kennedy as Liaison Counsel, and re-

1 styled the consolidated action as In Re: Spectrum Pharmaceuticals, Inc., Derivative Shareholder  
2 Litigation;

3       **WHEREAS**, on December 6, 2013, the Court ordered that the third filed action, styled  
4 Muenchhagen v. Shrotriya, et al., No. 2:13-cv-00942-JAD-CWH, should also be consolidated and  
5 stayed pursuant to the May 15, 2013 Order;

6       **WHEREAS**, on August 10, 2015, the Parties participated in a formal mediation before Mr. Jed  
7 D. Melnick, Esq. (“Mr. Melnick”), a respected and highly experienced mediator, to assist them in  
8 exploring a potential negotiated resolution of the claims in the Derivative Actions. To facilitate a  
9 productive mediation, the Parties exchanged a series of letters, information and briefs;

10       **WHEREAS**, on November 19, 2015, the parties to the Securities Class Action entered into a  
11 stipulation of settlement, which the Court preliminarily approved on January 26, 2016. The Court  
12 scheduled a hearing on final approval of the settlement in the Securities Class Action for June 13, 2016.  
13 The Court approved the settlement on that day;

14       **WHEREAS**, subsequent to the August 2015 mediation, counsel for the Parties hereto have  
15 completed substantial communications and arm’s-length negotiations in an effort to reach a settlement  
16 of the Derivative Actions, including parallel derivative actions pending in Nevada state court;

17       **WHEREAS**, the Parties have reached a settlement in principle and are negotiating the issue of  
18 attorneys’ fees and expenses and developing the necessary written agreements to present the proposed  
19 settlement to the Court; and

20       **WHEREAS**, the Parties have met and conferred, and therefore:

21       **ACCORDINGLY**, the Parties respectfully submit that:

- 22       1.       The Court should allow the Derivative Actions to remain stayed while the parties  
23       finalize the settlement; and
- 24       2.       The parties shall file a further joint status report on the progress of their efforts to  
25       finalize the settlement by Tuesday, October 11, 2016.

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Dated: September 8th, 2016

**BAILEY & KENNEDY**

By: /s/ Dennis L. Kennedy  
DENNIS L. KENNEDY  
Nevada Bar No. 1462  
JOSEPH A. LIEBMAN  
Nevada Bar No. 10125  
8984 Spanish Ridge Avenue  
Las Vegas, NV 89148-1302  
(702) 562-8820 Telephone  
(702) 562-9921 Facsimile  
Plaintiffs Liaison Counsel

-and-

WILLIAM B. FEDERMAN  
**FEDERMAN & SHERWOOD**  
10205 N. Pennsylvania Avenue  
Oklahoma City, OK 73120  
(405) 235-1560 Telephone  
(405) 239-2112 Facsimile  
Plaintiffs Lead Counsel

**Counsel for Plaintiffs**

**BROWNSTEIN HYATT FARBER  
SCHRECK, LLP**

By: /s/ Jeffrey S. Rugg  
KIRK B. LENHARD  
Nevada Bar No. 1437  
JEFFREY S. RUGG  
Nevada Bar No. 10978  
100 North City Parkway, Suite 1600  
Las Vegas, NV 89106-4614  
Tel: (702) 464-7045  
Fax: (702) 382-8135

-and-

JOHN F. CANNON  
JASON DE BRETTEVILLE  
JUSTIN N. OWENS  
AARON C. HUMES  
**STRADLING YOCCA CARLSON &  
RAUTH, P.C.**  
660 Newport Center Drive, Suite 1600  
Newport Beach, CA 92660  
Tel: (949) 725-4000  
Fax: (949) 725-4100


**Counsel for Defendants**

\* \* \*

**ORDER**

IT IS SO ORDERED

DATED: 9/9/2016

  
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The Honorable Jennifer A. Dorsey  
United States District Judge