

**SUPERIOR COURT OF CALIFORNIA  
COUNTY OF ORANGE**

RICHARD HARTMAN and BRYAN BURNETT,  
individually and on behalf of all others similarly situated,  
Plaintiffs,

Case No. 30-2009-00270784

Judge: Hon. David C. Velasquez

v.  
TIMOTHY WALBERT, MICHAEL GREY, JOHN MCKEARN,  
ROBERT BECK, GREGORY TIBBITTS, IDM PHARMA,  
INC., TAKEDA AMERICA HOLDINGS INC., AND JADE  
SUBSIDIARY CORPORATION,  
Defendants.

**NOTICE OF PROPOSED SETTLEMENT AND HEARING**

TO: ALL RECORD HOLDERS AND BENEFICIAL OWNERS OF SHARES OF COMMON STOCK OF IDM PHARMA, INC. AT ANY TIME DURING THE PERIOD BEGINNING ON AND INCLUDING MAY 18, 2009 THROUGH AND INCLUDING JUNE 22, 2009, INCLUDING ANY AND ALL OF THEIR RESPECTIVE SUCCESSORS-IN-INTEREST, PREDECESSORS, REPRESENTATIVES, TRUSTEES, EXECUTORS, ADMINISTRATORS, HEIRS, ASSIGNS, OR TRANSFEREES, IMMEDIATE OR REMOTE, AND ANY PERSON OR ENTITY ACTING FOR OR ON BEHALF OF, OR CLAIMING UNDER ANY OF THEM, AND EACH OF THEM.

YOU ARE HEREBY NOTIFIED that a settlement has been proposed in the above-captioned case ("Settlement").

**Settlement Hearing.** A hearing will be held on February 18, 2010 at 1:30 p.m., before the Hon. David C. Velasquez ("Settlement Hearing"), in the Superior Court of the State of California, County of Orange, 751 W. Santa Ana Blvd., Santa Ana, CA 92701 ("Court"), to determine whether: (1) the provisional class action certification granted by the Court on November 23, 2009 should be made final; (2) the proposed Settlement should be approved as fair, reasonable, adequate, and in the best interests of the Class; (3) Plaintiffs' Counsel's application for an award of attorneys' fees and expenses not to exceed \$250,000 should be approved; (4) an Order and Final Judgment should be entered, dismissing with prejudice and releasing all claims against the Defendants relating to the conduct alleged in this case; and (5) the Court should rule on such other matters as it deems appropriate. If approved, the Settlement will resolve all claims in this litigation.

**Explanation of the Case.** On May 18, 2009, IDM Pharma, Inc. ("IDM" or the "Company") and Takeda America Holdings, Inc. ("Takeda") announced a definitive agreement, under which Jade Subsidiary Corporation ("Jade"), Takeda's wholly owned subsidiary, planned to acquire all the outstanding shares of IDM through a cash tender offer for \$2.64 per share of IDM common stock (the "Transaction"). On May 22, 2009, Plaintiffs Richard Hartman and Bryan Burnett ("Plaintiffs") initiated the above-captioned action (the "Action") on behalf of all shareholders of IDM, challenging the Transaction, requesting damages, seeking injunctive relief, and alleging, *inter alia*, that the individual Defendants breached their fiduciary duties by failing to adequately disclose certain material information regarding the Transaction in IDM's Schedule 14D-9, and that IDM, Takeda, and Jade aided and abetted the individual Defendants' breaches of fiduciary duties.

Recognizing the time and expense that would be incurred by further litigation in this Action and the uncertainties inherent in such litigation, the Parties agreed to settle the Action as detailed in the Parties' Stipulation of Settlement ("Stipulation"), which is on file with the Court and available at [www.zlk.com/idmi.html](http://www.zlk.com/idmi.html). Plaintiffs' entry into the Stipulation is not an admission as to the lack of merit of any of the claims asserted in the Action. Likewise, Defendants have denied, and continue to deny, that they have committed, attempted to commit, or aided and abetted in the commission of any breach of fiduciary duty or duty of disclosure, that they engaged in any of the wrongful acts alleged in the Action, that they have any liability to the Plaintiffs and the Class, or that any additional disclosures were required or material as a matter of law.

**Terms of Settlement.** In consideration for the Settlement and dismissal with prejudice of the Action and the releases (described below), the Company filed, with the Securities and Exchange Commission ("SEC") on June 18, 2009, an amendment to its Schedule 14D-9, containing certain supplemental disclosures as agreed to by the Parties ("Supplemental Disclosures"). The Supplemental Disclosures are publicly available online with the SEC (at [www.sec.gov](http://www.sec.gov)) and are also attached as Exhibit A to the Stipulation, a copy of which is on file with the Court or available at [www.zlk.com/idmi.html](http://www.zlk.com/idmi.html).

**Release of Claims.** ANY MEMBER OF THE CLASS WHO DOES NOT REQUEST EXCLUSION FROM THE SETTLEMENT, PURSUANT TO THE PROCEDURES DESCRIBED IN THIS NOTICE, WILL BE A MEMBER OF THE CLASS FOR PURPOSES OF THIS SETTLEMENT AND WILL BE BOUND BY ANY ORDER AND JUDGMENT OF THE COURT APPROVING THE SETTLEMENT AND DISMISSING THIS ACTION. Specifically, upon Final Approval (as defined in the Stipulation), all claims or causes of action asserted by or on behalf of any member of the Class against Defendants and their Related Parties (as defined in the Stipulation) which have arisen or could have arisen and which relate to the claims or allegations asserted by Plaintiffs in the Action or relate in any way to the Transaction will be completely and forever released. More information is contained in the Stipulation, a copy of which is on file with the Court or available at [www.zlk.com/idmi.html](http://www.zlk.com/idmi.html).

**Effect of Release.** The release contemplated by the Stipulation shall extend to claims that the Releasing Persons (as defined in the Stipulation) do not know or suspect to exist at the time of the release, which if known, might have affected their decision to enter into the release. The Releasing Persons shall be deemed to relinquish, to the extent applicable, and to the full extent permitted by law, the provisions, rights and benefits of Section 1542 of the California Civil Code, or comparable principle, which states that: 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. More information is contained in the Stipulation, a copy of which is on file with the Court or available at [www.zlk.com/idmi.html](http://www.zlk.com/idmi.html).

**Plaintiffs' Attorneys' Fees.** If the Court approves the Settlement, Plaintiffs' Counsel intend to ask the Court for an award of attorneys' fees (inclusive of all expenses and disbursements) in an amount not to exceed \$250,000, which IDM has agreed not to object to, subject to the Court's approval. Any award of attorneys' fees will be in addition to the Settlement and will not affect the benefits of the Settlement. The Court's final resolution of Plaintiffs' Counsel's fee application shall not be a precondition to dismissal of the Action, and the fee application may be considered separately from the proposed Settlement of the Action.

**Objections.** Any member of the Class who objects to the Settlement or who otherwise wishes to be heard, may appear in person or by his attorney at the Settlement Hearing and present evidence or argument that may be proper; provided, however, that, except for good cause shown, no person shall be heard and no documents submitted by any person shall be considered by the Court unless, no later than ten (10) calendar days prior to the Settlement Hearing, that person files with the Court and serves upon Plaintiffs' Counsel listed below: (a) written notice of intention to appear; (b) a statement of such person's objections to any matters before the Court; and (c) the grounds for such objections and the reasons that such person desires to appear and be heard, as well as all documents or writings such person desires the Court to consider. Such filings shall be served upon the following counsel: LEVI & KORSINSKY, LLP, Juan E. Monteverde, 30 Broad St., 15th Floor, New York, NY 10004, 212-363-7500 phone, 212-363-7171 fax (Attorneys for Plaintiffs).

Unless the Court otherwise directs, no person shall be entitled to object to the approval of the Settlement, and judgment entered thereon, the adequacy of representation of the Class by Plaintiffs and its counsel, any award of attorneys' fees, or otherwise be heard, except by serving and filing a written objection and supporting documents as prescribed above. Any person who fails to object in the manner described above shall be deemed to have waived the right to object (including any right of appeal) and shall be forever barred from raising such objection in this or any other action or proceeding. More information is contained in the Stipulation, a copy of which is on file with the Court or available at [www.zlk.com/idmi.html](http://www.zlk.com/idmi.html).

**Requests for Exclusion.** ANY MEMBER OF THE CLASS MAY, UPON REQUEST, BE EXCLUDED FROM THE SETTLEMENT. ANY SUCH PERSON MUST SUBMIT TO PLAINTIFFS' COUNSEL (LEVI & KORSINSKY, LLP) A WRITTEN REQUEST FOR EXCLUSION ("REQUEST FOR EXCLUSION") POSTMARKED NO LATER THAN JANUARY 19, 2010. A Request for Exclusion must be signed by the person requesting exclusion and state: (i) the name, address, and telephone number of the person requesting exclusion; and (ii) that the person wishes to be excluded from the Class. All persons who submit valid and timely Requests for Exclusion in the manner set forth in this paragraph shall have no rights under the Stipulation. More information is contained in the Stipulation, a copy of which is on file with the Court or available at [www.zlk.com/idmi.html](http://www.zlk.com/idmi.html).

By Order of the Court