

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION

MICHAEL HILL, JAMES HILL, JOHN SCELSI,
and ASM CAPITAL, Individually and on
Behalf of All Others Similarly Situated,

Plaintiffs,

v.

ACCENTIA BIOPHARMACEUTICALS, INC.,
SAMUEL S. DUFFEY, FRANCIS E.
O'DONNELL, JR., BRIAN D. BOTTJER,
CARLOS F. SANTOS, RONALD E. OSMAN,
and STEVEN R. ARIKIAN,

Defendants.

Case No. 8:13-cv-01945-SDM-EAJ

**NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED
SETTLEMENT AND MOTION FOR ATTORNEYS' FEES AND EXPENSES**

**TO: ALL PERSONS WHO PURCHASED SHARES OF ACCENTIA
BIOPHARMACEUTICALS, INC. ("ACCENTIA") OR BIOVEST INTERNATIONAL,
INC. ("BIOVEST") COMMON STOCK DURING THE PERIOD JULY 26, 2008
THROUGH AUGUST 14, 2012.**

**PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. THIS NOTICE
RELATES TO A PROPOSED SETTLEMENT OF THIS CLASS ACTION AND, IF YOU ARE
A CLASS MEMBER, CONTAINS IMPORTANT INFORMATION AS TO YOUR RIGHTS
CONCERNING THE SETTLEMENT DESCRIBED BELOW.**

CLAIMS DEADLINE: TO POTENTIALLY SHARE IN THE SETTLEMENT PROCEEDS,
CLASS MEMBERS MUST SUBMIT THE ACCOMPANYING PROOF OF CLAIM POST-
MARKED ON OR BEFORE FEBRUARY 19, 2015.

EXCLUSION DEADLINE: REQUESTS FOR EXCLUSION FROM THE CLASS MUST
BE RECEIVED ON OR BEFORE JANUARY 5, 2015.

SECURITIES BROKERS AND OTHER NOMINEES: PLEASE SEE THE INSTRUCTIONS
CONTAINED IN SECTION N HEREIN.

A federal court authorized this Notice. This is not a solicitation from a lawyer.

PLEASE READ THIS NOTICE CAREFULLY.

The purpose of this Notice is to inform you of (1) the pendency of this class action (the "Action"), (2) the proposed Settlement of the Action, and (3) the hearing to be held by the Court to consider (a) whether the Settlement should be approved, (b) the application of plaintiffs' counsel for attorneys' fees and expenses, and (c) certain other matters (the "Settlement Hearing"). This Notice describes important rights you may have and what steps you must take if you wish to participate in the Settlement or wish to be excluded from the Settlement Class (defined below).

- If approved by the Court, the Settlement will provide a \$1.25 million cash Settlement Fund for the benefit of eligible investors (the “Settlement”).¹
- The Settlement resolves claims by Lead Plaintiffs that the Defendants misled investors about the prospects for regulatory approval by the United States Food and Drug Administration (“FDA”) of BiovaxID, a vaccine being developed by Biovest; avoids the costs and risks of continuing the litigation; pays money to investors like you; and releases the Defendants (including certain related persons and entities) from liability.
- Your legal rights are affected whether you act or do not act. Read this Notice carefully.
- The Court will review the Settlement at the Settlement Hearing to be held on January 26, 2015.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
SUBMIT A CLAIM FORM BY FEBRUARY 19, 2015	The only way to get a payment.
EXCLUDE YOURSELF BY JANUARY 5, 2015	Get no payment. This is the only option that allows you to bring or be part of any other lawsuit about the Plaintiffs’ Released Claims (defined below) against the Defendants and the other Released Defendant Parties (defined below).
OBJECT BY JANUARY 5, 2015	Write to the Court about why you do not like the Settlement, the proposed Plan of Allocation and/or the request for attorneys’ fees and expenses. You will still be a member of the Settlement Class (defined below).
GO TO A HEARING ON JANUARY 26, 2015	Ask to speak in Court about the Settlement at the Settlement Hearing.
DO NOTHING	Get no payment. Give up your rights relating to the Released Claims (defined below).

- These rights and options—and the deadlines to exercise them—are explained in this Notice.
- The Court in charge of this case still has to decide whether to approve the Settlement and whether to finally certify this as a class action. Payments will be made if the Court approves the Settlement and after any appeals are resolved. Please be patient.

A. SUMMARY OF THIS NOTICE

1. Statement of Plaintiffs’ Recovery

Pursuant to this proposed Settlement, a Settlement Fund consisting of \$1.25 million in cash has been established. Based on Lead Plaintiffs’ estimate of the number of shares entitled to participate in the Settlement, the average distribution per share will be approximately \$0.024 per share, exclusive of interest, before deduction of fees and expenses to be approved by the District Court, assuming that all eligible class members submit claims. However, your actual recovery from the Gross Settlement Fund will depend on a number of other variables, including whether you purchased Accentia or Biovest shares, the number of shares you purchased, the timing of your purchases and sales, if any, and the number of claims submitted by the other members of the Class.

¹ All capitalized terms used in this Notice are defined in the Stipulation and Agreement of Settlement (the “Stipulation”), dated as of July 21, 2014.

2. Statement of Potential Outcome if the Action Continues to Be Litigated

The Settling Parties disagree on both liability and damages and do not agree on the average amount of damages, if any, that would be recoverable if Lead Plaintiffs were to prevail on each claim alleged. The issues on which the Settling Parties disagree include but are not limited to: (a) whether the Defendants made any material misstatements or omissions; (b) whether the Defendants acted with the required state of mind; (c) whether this Action is maintainable as a class action; (d) the amount by which Accentia common stock and Biovest common stock was allegedly artificially inflated (if at all) during the Class Period; (e) the extent to which the various matters that Lead Plaintiffs alleged were false and misleading influenced (if at all) the trading price of Accentia common stock and Biovest common stock at various times during the Class Period; (f) whether any purchasers/acquirers of Accentia common stock and Biovest common stock have suffered damages as a result of the alleged misstatements and omissions in Accentia public statements and Biovest public statements; (g) the extent of such damages, assuming they exist; (h) the appropriate economic model for measuring damages; and (i) the extent to which external factors, such as general market and industry conditions, influenced the trading price of Accentia common stock and Biovest common stock at various times during the Class Period. While Defendants dispute these estimates, Lead Plaintiffs believe that if they are successful on every disputed issue in the case, recoverable damages would most likely be \$0.05 per Accentia share and \$0.11 per Biovest share.

The Defendants have denied and continue to deny any wrongdoing, deny that they have committed any act or omission giving rise to any liability or violation of law, and deny that Lead Plaintiffs and the Settlement Class have suffered any losses attributable to the Defendants' actions while recognizing the risks of continued litigation in this matter. While Lead Plaintiffs believe that they have meritorious claims, they recognize that there are significant obstacles and risks associated with continuing to litigate this Action.

3. Statement of Attorneys' Fees and Litigation Expenses Sought

Lead Plaintiffs' Counsel intend to make a motion asking the Court to award attorneys' fees not to exceed 33.33% of the Settlement Fund, to approve payment of litigation expenses incurred in prosecuting this action in an amount not to exceed \$20,000 ("Fee and Expense Application"), and to approve payment of a service award to Lead Plaintiffs not to exceed \$5,000 for each Lead Plaintiff.

If the Court approves the Fee and Expense Application, the average cost per allegedly damaged share of Accentia and Biovest common stock for such fees and expenses would be less than \$0.01 per share. The average cost per damaged Accentia share and per damaged Biovest share will vary depending on the number of acceptable claims submitted. Lead Plaintiffs' Counsel have expended considerable time and effort in the prosecution of this litigation without receiving any payment, and have advanced the expenses of the litigation, such as the cost of experts, in the expectation that if they were successful in obtaining a recovery for the Settlement Class they would be paid from such recovery. In this type of litigation it is customary for counsel to be awarded a percentage of the common fund recovered as attorneys' fees.

4. Further Information

Further information regarding this Action and this Notice may be obtained by contacting the Claims Administrator: Berdon Claims Administration LLC at 800-766-3330 or at www.berdonclaims.com; or Lead Plaintiffs' Counsel: Shapiro Haber & Urmly LLP at 800-287-8119 or at cases@shulaw.com.

DO NOT CALL THE COURT WITH QUESTIONS ABOUT THE SETTLEMENT

5. Reasons for the Settlement

For Lead Plaintiffs, the principal reason for the Settlement is the immediate benefit to the Settlement Class. This benefit must be compared to the risk that no recovery might be achieved after a contested trial and likely appeals, possibly years into the future.

For the Defendants, who have denied and continue to deny all allegations of wrongdoing or liability whatsoever, the principal reason for the Settlement is to eliminate the burden, expense, uncertainty, and distraction of further litigation.

B. BASIC INFORMATION

1. Why did I get this notice package?

You or someone in your family may have purchased or acquired Accentia or Biovest common stock during the period from July 26, 2008 to and through August 14, 2012, inclusive.

The Court in charge of the case is the United States District Court for the Middle District of Florida. The Action is known as *Michael Hill, James Hill, John Scelsi, and ASM Capital, individually and on behalf of all others similarly situated, v. Accentia Biopharmaceuticals, Inc., et al*, No. 8:13-cv-01945-SDM-EAJ (M.D.Fla.), and is assigned to the Honorable Steven D. Merryday. (Biovest is not a defendant because it had filed for bankruptcy protection.)

The Lead Plaintiffs in the Action, representing the Settlement Class, are Michael Hill, James Hill, John Scelsi, and ASM Capital. The Defendants are Accentia, as well as Samuel S. Duffey, Francis E. O'Donnell, Jr., Brian D. Bottjer, Carlos F. Santos, Ronald E. Osman, and Steven R. Arikian.

The Court directed that this Notice be sent to Settlement Class Members because they have a right to know about the proposed Settlement, and about all of their options, before the Court decides whether to approve the Settlement. The Court will review the Settlement at a Settlement Hearing on January 26, 2015, at the United States District Court for the Middle District of Florida, Sam M. Gibbons United States Courthouse, 801 North Florida Avenue, Tampa, FL, 33602, at 9:00 a.m. If the Court approves the Settlement, and after objections and appeals are resolved, a claims administrator appointed by the Court will make the payments that the Settlement allows.

This package explains the Action, the Settlement, Settlement Class Members' legal rights, what benefits are available, who is eligible for them, and how to get them.

2. What is this lawsuit about and what has happened so far?

The Action was commenced on July 26, 2013 and alleged that the Defendants violated the federal securities laws. On December 4, 2013, the Court issued an Order appointing Lead Plaintiffs, and approving their selection of Shapiro Haber & Urmy LLP as lead counsel, and Liggio Benrubi as liaison counsel, to represent the putative class. Lead Plaintiffs filed the operative Consolidated Amended Complaint on January 21, 2014 (the "Complaint"). The Complaint generally alleges, among other things, that the Defendants violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder by making alleged misstatements and omissions during the Class Period regarding the prospects for regulatory approval by the FDA of BiovaxID, a therapeutic cancer vaccine being developed by Biovest (which, during the relevant time period, was majority-owned by Accentia). The Complaint further alleges that Lead Plaintiffs and other Settlement Class Members purchased or acquired Accentia and Biovest common stock during the Class Period at artificially inflated prices and were damaged thereby.

On March 7, 2014, Defendants filed motions to dismiss the Complaint, which Lead Plaintiffs opposed. In May 2014, while Defendants' motions to dismiss were pending, Lead Plaintiffs and Defendants engaged in a mediation with the assistance of a well-respected and highly experienced mediator. Following lengthy arm's-length negotiations overseen by the mediator, Defendants and Lead Plaintiffs reached an agreement in principle to settle the claims against Defendants (the "Settlement").

Before agreeing to the Settlement, Lead Plaintiffs' Counsel had conducted an extensive investigation into the facts underlying the claims alleged in the Complaint. Lead Plaintiffs' Counsel also consulted with an expert on valuation and damages issues and researched the applicable law with respect to the claims and the potential

defenses. Thus, at the time the Settlement in principle was reached, Lead Plaintiffs' Counsel had a thorough understanding of the strengths and weaknesses of the Settling Parties' positions.

On October 8, 2014, the Court entered the Order Granting Preliminary Approval of Class Action Settlement, Approving Form and Manner of Notice, and Setting Date for Hearing on Final Approval of Settlement, which preliminarily approved the Settlement, authorized that this Notice be sent to potential Settlement Class Members, and scheduled the Settlement Hearing to consider whether to grant final approval to the Settlement.

3. Why is this a class action?

In a class action, one or more people called class representatives (in this case Lead Plaintiffs) sue on behalf of people who have similar claims, who are known as class members. The Court preliminarily certified the Settlement Class for purposes of the Settlement only. Bringing a case as a class action allows adjudication of many similar claims of persons and entities that might be economically too small to bring individually. One court resolves the issues for all class members, except for those who exclude themselves from the class. The Court will decide whether to finally certify the Settlement Class at the Settlement Hearing.

4. What are the reasons for the Settlement?

The Court did not finally decide in favor of Lead Plaintiffs or the Defendants. Instead, both sides, with the assistance of a well-respected and highly experienced mediator, agreed to a settlement.

Lead Plaintiffs and Lead Plaintiffs' Counsel believe that the claims asserted against the Defendants have merit. Lead Plaintiffs and Lead Plaintiffs' Counsel recognize, however, the expense and length of continued proceedings necessary to pursue their claims against the Defendants through trial and appeals, as well as the difficulties in establishing liability. Lead Plaintiffs and Lead Plaintiffs' Counsel have considered the uncertain outcome and the risk of any litigation, especially in complex lawsuits like this one, and the difficulties and delays inherent in such litigation. For example, the Defendants have raised a number of arguments and defenses (which have been raised in the Defendants' motion to dismiss the Complaint and/or would be raised at summary judgment and trial, if any) that there were no actionable misstatements and omissions and, more importantly, that Lead Plaintiffs would not be able to establish the Defendants acted with the requisite fraudulent intent. Even assuming Lead Plaintiffs could establish liability, the Defendants maintained that any potential investment losses suffered by Lead Plaintiffs and the Settlement Class were caused by external, independent factors, and not caused by the Defendants' alleged conduct. In the absence of a settlement, the Settling Parties would present factual and expert testimony on each of these issues, and there is considerable risk that the Court or jury would resolve the inevitable "battle of the experts" against Lead Plaintiffs and the Settlement Class.

In light of the amount of the Settlement and the immediate recovery to the Settlement Class, Lead Plaintiffs and Lead Plaintiffs' Counsel believe that the proposed Settlement is fair, reasonable and adequate, and in the best interests of the Settlement Class. The Settlement, which totals \$1.25 million in cash (less the various deductions described in this Notice), provides substantial benefits now as compared to the risk that a similar or smaller recovery would be achieved after trial and appeal, possibly years in the future, or that no recovery would be achieved at all.

The Defendants expressly have denied and continue to deny any wrongdoing or that they committed any violation of law. The Defendants also have taken into account the burden, expense, uncertainty, distraction, and risks inherent in any litigation, and have concluded that it is desirable that the Action be fully and finally settled upon the terms and conditions set forth in the Stipulation.

C. WHO IS IN THE SETTLEMENT

To see if you will get money from this Settlement, you first have to decide if you are a Settlement Class Member.

5. How do I know if I am part of the Settlement?

The Court directed, for the purpose of the proposed Settlement, that everyone who fits the following description is a Settlement Class Member, unless they are an excluded person or they take steps to exclude themselves (see below): **All Persons who, during the period from July 26, 2008 to and through August 14, 2012, inclusive (the “Class Period”), purchased or otherwise acquired the common stock of Accentia and/or Biovest and who were allegedly damaged thereby.**

6. Are there exceptions to being included in the Settlement Class?

Excluded from the Settlement Class are: Defendants; the officers and directors of Accentia and Biovest; and certain categories of persons or entities related to any of them. Any Person who would otherwise be a Settlement Class Member but properly excludes himself, herself or itself by filing a valid and timely request for exclusion in accordance with the requirements explained in Question 13, below, would also not be included in the Settlement Class.

7. What if I am still not sure if I am included?

If you are still not sure whether you are included, you can ask for free help. You can call the Claims Administrator at **800-766-3330** or visit **www.berdonclaims.com** for more information. Or you can fill out and return the Proof of Claim and Release (“Proof of Claim”), described in Question 10, to see if you qualify.

D. THE SETTLEMENT BENEFITS — WHAT YOU GET

8. What does the Settlement provide?

The Defendants have agreed to create a \$1.25 million cash fund, which will earn interest, to be divided, after deduction of Court-awarded attorneys’ fees and expenses, Settlement administration costs, and any applicable taxes (the “Net Settlement Fund”), among all Settlement Class Members who send in valid and timely Proofs of Claim.

9. How much will my payment be?

Your share of the fund will depend on several things, including: (a) the total amount of Recognized Losses of other Settlement Class Members; (b) how many shares of Accentia and/or Biovest common stock you purchased or acquired during the Class Period; (c) how much you paid for them; and (d) whether you held your shares through the end of the Class Period.

Your Recognized Loss will be calculated according to the formula shown in the Plan of Allocation set forth in Section M below. The payment you get will be a portion of the Net Settlement Fund based on your Recognized Loss divided by the total of the Recognized Losses of all approved claims.

E. HOW YOU GET A PAYMENT — SUBMITTING A PROOF OF CLAIM

10. How can I get a payment?

To qualify for a payment, you must send in a completed Proof of Claim. A Proof of Claim is attached to this Notice and is also available at the Settlement website: **www.berdonclaims.com**. If you call 800-766-3330, the Claims Administrator will help you with any questions you may have about the form. The Proof of Claim must be **postmarked no later than February 19, 2015.**

11. When would I get my payment?

The Court will hold a Settlement Hearing on **January 26, 2015** to decide whether to approve the Settlement. Even if the Court approves the Settlement, there may still be appeals, which can take time to resolve, perhaps more than a year. It also takes time for all the Proofs of Claim to be processed.

Once all the Proofs of Claim are processed and claims are calculated, the Claims Administrator, under the supervision of Lead Plaintiffs' Counsel, shall distribute the Net Settlement Fund to the members of the Settlement Class. Please be patient.

12. What am I giving up by staying in the Settlement Class to get a payment?

Unless you exclude yourself, you will stay in the Settlement Class, which means that upon the "Effective Date" you will release all "Plaintiffs' Released Claims" (as defined below), including "Unknown Claims" (as defined below), against the "Released Defendant Parties" (as defined below).

"Claim" or "Claims" means any and all actions, causes of action, proceedings, offsets, contracts, judgments, obligations, suits, debts, dues, sums of money, accounts, bonds, bills, covenants, damages, demands (whether written or oral), agreements, promises, liabilities, controversies, costs, expenses, and losses whatsoever, whether in law, in admiralty, or in equity and whether based on any federal, state, or foreign statutory or common-law right of action or otherwise, whether class or individual in nature, foreseen or unforeseen, matured or unmatured, known, or unknown, existing now or to be created in the future, including Unknown Claims.

"Plaintiffs' Released Claims" means any and all Claims, known or Unknown (as defined herein), accrued or not accrued, at law or in equity, which have been or could have been asserted individually, on behalf of a class and/or derivatively by any Lead Plaintiff and/or any Settlement Class Member in the Action against any and all of the Defendants or any and all of the Released Defendant Parties that relate to, arise out of, or are based upon (a) any purchase, sale, or ownership of Accentia and/or Biovest common stock during the Class Period and/or (b) any of the claims, allegations, transactions, facts, events, acts, disclosures, statements, representations or omissions or failures to act set forth or referred to in the complaints filed in the Action. Notwithstanding the foregoing, Plaintiffs' Released Claims do not include claims to enforce the Settlement.

"Unknown Claims" means any and all Plaintiffs' Released Claims that Lead Plaintiffs or any other Settlement Class Member does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Defendant Parties, and any Defendants' Released Claims that Defendants do not know or suspect to exist in his, her, or its favor at the time of the release of the Released Plaintiff Parties, which if known by him, her, or it might have affected his, her, or its decision(s) with respect to the Settlement, including the decision to exclude himself, herself, or itself from the Settlement Class. With respect to any and all Plaintiffs' Released Claims and Defendants' Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, Lead Plaintiffs and Defendants shall expressly, and each other Settlement Class Member shall be deemed to have, and by operation of the Judgment or Alternative Judgment shall have, to the fullest extent permitted by law, expressly waived and relinquished 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 Cal. Civ. 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.

Lead Plaintiffs, the other Settlement Class Members, or Defendants may hereafter discover facts, legal theories, or authorities 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 Plaintiffs' Released Claims and the Defendants' Released Claims, but Lead Plaintiffs and Defendants shall expressly, fully, finally, and forever settle and release, and

each Settlement Class Member shall be deemed to have settled and released, and upon the Effective Date and by operation of the Judgment or Alternative Judgment shall have settled and released, fully, finally, and forever, any and all Plaintiffs' Released Claims and Defendants' Released Claims as applicable, without regard to the subsequent discovery or existence of such different or additional facts, legal theories, or authorities. Lead Plaintiffs and Defendants acknowledge, and other Settlement Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Plaintiffs' Released Claims and Defendants' Released Claims was separately bargained for and was a material element of the Settlement.

"Released Defendant Parties" means Accentia, its past or present or future subsidiaries (including, without limitation, Biovest), parents, affiliates, principals, successors and predecessors (collectively, the "Accentia Entities"); each of the Accentia Entities' respective assigns, officers, directors, shareholders, trustees, partners, agents, fiduciaries, contractors, employees, and attorneys (including in-house counsel and outside attorneys), auditors, and insurers; the Individual Defendants; the Immediate Family Members, representatives, and heirs of the Individual Defendants; any trust of which any Individual Defendant is the settlor or which is for the benefit of any Immediate Family Member of any Individual Defendant; any firm, trust, corporation, or entity in which any of the Accentia Entities or Individual Defendants has a controlling interest; and any of the legal representatives, heirs, successors in interest or assigns of the Accentia Entities or Individual Defendants.

The "Effective Date" will occur as set out in the Stipulation on file with the Court and available at the Settlement website: www.berdonclaims.com. A full and complete description of the terms and conditions of the Settlement may also be found in the Stipulation.

If you remain a member of the Settlement Class, all the Court's orders regarding the Settlement will legally bind you.

F. EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from this Settlement, but you want to keep any right you may have to sue or continue to sue the Defendants and the other Released Defendant Parties, on your own, about the Released Claims, then you must take steps to opt out. This is called excluding yourself from—or "opting out" of—the Settlement Class. Defendants may withdraw from and terminate the Settlement if putative Settlement Class Members who collectively purchased in excess of a certain number of shares exclude themselves from the Settlement Class.

13. How do I get out of the proposed Settlement?

To exclude yourself from the Settlement Class, you must send a signed letter by mail stating that you request to be "excluded from the Settlement Class in *Hill et al. v. Accentia Biopharmaceuticals, Inc., et al.*, No. 8:13-cv-01945-SDM-EAJ (M.D. Fla.)." Your letter must state the date(s), price(s), and number(s) of shares of all your purchases, acquisitions, and sales of Accentia and/or Biovest common stock during the Class Period (July 26, 2008 through August 14, 2012) and the amount of your holdings of these securities at the close of business on July 25, 2008 and the close of business on August 14, 2012. In addition, you must include your name, address, telephone number and your signature. You must mail your exclusion request so that it is received no later than January 5, 2015, to:

Accentia/Biovest Securities Litigation
c/o Berdon Claims Administration LLC
P.O. Box 9014
Jericho, NY 11753-8914

You cannot exclude yourself by telephone or by email. Your exclusion request must comply with these requirements in order to be valid. If you write to request to be excluded, you will not get any Settlement payment, and you cannot object to the Settlement. You will not be legally bound by anything that happens in connection with this Settlement, and you may be able to sue (or continue to sue) the Defendants and the other Released Defendant Parties regarding the Plaintiffs' Released Claims in the future.

14. If I do not exclude myself, can I sue the Defendants and the other Released Defendant Parties for the same thing later?

No. Unless you exclude yourself, you give up any rights to sue the Defendants and the other Released Defendant Parties for any and all Plaintiffs' Released Claims. If you have a pending lawsuit speak to your lawyer in that case **immediately**. You must exclude yourself from *this Settlement Class to continue your own lawsuit*. Remember, the exclusion deadline is **January 5, 2015**.

15. If I exclude myself, can I get money from the proposed Settlement?

No. If you exclude yourself, do not send in a Proof of Claim to ask for any money.

G. THE LAWYERS REPRESENTING YOU

16. Do I have a lawyer in this case?

The Court appointed the law firms of Shapiro Haber & Urmy LLP and Liggio Benrubi to represent all Settlement Class Members. These lawyers are called Lead Plaintiffs' Counsel. You will not be separately charged for these lawyers. The Court will determine the amount of Lead Plaintiffs' Counsel's fees and expenses, which will be paid from the Settlement Fund. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How will the lawyers be paid?

Lead Plaintiffs' Counsel have not received any payment for their services, nor have they been paid for their litigation expenses. At the Settlement Hearing, or at such other time as the Court may order, Lead Plaintiffs' Counsel will ask the Court to award them, from the Settlement Fund, attorneys' fees of no more than 33.33% of the Settlement Fund, and litigation expenses (such as the cost of experts) that have been incurred in pursuing the Action. The request for litigation expenses will not exceed \$20,000.

H. OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the Settlement or some part of it.

18. How do I tell the Court that I do not like the proposed Settlement?

If you are a Settlement Class Member you can object to the Settlement or any of its terms, the certification of the Settlement Class, the proposed Plan of Allocation, and/or the application by Lead Plaintiffs' Counsel for an award of fees and expenses. You may write to the Court setting out your objection. You may give reasons why you think the Court should not approve any part or all of the Settlement terms. The Court will only consider your views if you file a proper written objection within the deadline and according to the following procedures. To object, you must send a signed letter stating that you object to the proposed Settlement in "*Hill et al. v. Accentia Biopharmaceuticals, Inc., et al.*, No. 8:13-cv-01945-SDM-EAJ (M.D. Fla.)." You must include the following: your name, address, telephone number, and your signature; the date(s), price(s) and number(s) of shares of all purchases, acquisitions and sales of Accentia common stock and Biovest common stock you made during the Class Period; proof of such purchases, acquisitions and sales of Accentia and Biovest common stock you made during the Class Period; and the reasons why you object to the Settlement. **Unless otherwise**

ordered by the Court, any Settlement Class Member who does not object in the manner described herein will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement and the application for attorneys' fees and expenses.

Your objection must be filed with the Court and mailed or delivered to all the following so that it is received on or before January 5, 2015:

COURT:

Clerk of the Court
United States District Court for the
Middle District of Florida
Sam M. Gibbons U.S Courthouse
801 North Florida Avenue
Tampa, FL 33602

LEAD PLAINTIFFS' COUNSEL:

Thomas G. Shapiro, Esq.
SHAPIRO HABER & URMYY LLP
Seaport East
Two Seaport Lane
Boston, MA 02210

DEFENDANTS' COUNSEL:

Lyle Roberts, Esq.
COOLEY LLP
1299 Pennsylvania Avenue, NW
Suite 700
Washington, DC 20004

John David Emmanuel, Esq.
BUCHANAN INGEROLL & ROONEY, PC/
FOWLER WHITE BOGGS
501 East Kennedy Blvd., Suite 1700
P.O. Box 1438
Tampa, FL 33601

Douglas W. Greene, Esq.
LANE POWELL, PC
1420 Fifth Ave, Suite 4200
P.O. Box 91302
Seattle, WA 98111

George Patrick Murphy, Esq.
MURPHY & MURPHY LLC
3415 Office Park Drive
Suite D
Marion, IL 62959

19. What is the difference between objecting and seeking exclusion?

Objecting is simply telling the Court that you do not like something about the proposed Settlement. You can object only if you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class. If you exclude yourself, you have no basis to object because the Settlement no longer affects you.

I. THE COURT'S SETTLEMENT HEARING

20. When and where will the Court decide whether to approve the proposed Settlement?

The Court will hold a Settlement Hearing at **9:00 a.m.** on **January 26, 2015**, at the Sam M. Gibbons United States Courthouse, 801 North Florida Avenue, Tampa, FL 33602.

At this hearing, the Honorable Steven D. Merryday will consider whether the Settlement is fair, reasonable, and adequate. The Court also will consider the proposed Plan of Allocation for the Net Settlement Fund and the application of Lead Plaintiffs' Counsel for attorneys' fees and reimbursement of expenses. The Court will take into consideration any written objections filed in accordance with the instructions set out in Question 18 above. The Court also may listen to people who have properly indicated, within the deadline identified above, an intention to speak at the Settlement Hearing. *See* Question 21 for more information about speaking at the Settlement Hearing. After the Settlement Hearing, the Court will decide whether to approve the Settlement, and, if the Settlement is approved, how much attorneys' fees and expenses should be awarded and the amount of any service award for Lead Plaintiffs.

You should be aware that the Court may change the date and time of the Settlement Hearing without another notice being sent. If you want to come to the hearing, you should check the Settlement website or with Lead Plaintiffs' Counsel before coming to be sure that the date and/or time has not changed.

21. Do I have to come to the Settlement Hearing?

No. Lead Plaintiffs' Counsel will answer questions the Court may have. But, you are welcome to come at your own expense. Settlement Class Members do not need to appear at the Settlement Hearing or take any other action to indicate their approval. If you submit an objection, you do not have to come to Court to talk about it. As long as you filed and sent your written objection on time, the Court will consider it. You also may attend in person or pay your own lawyer to attend, but it is not necessary.

J. IF YOU DO NOTHING

22. What happens if I do nothing at all?

If you do nothing and you are a member of the Settlement Class, you will get no money from this Settlement and you will be precluded from starting a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against the Defendants and the other Released Defendant Parties about the Released Claims, ever again. To share in the Net Settlement Fund you must submit a Proof of Claim (*see* Question 10). To start, continue or be a part of any other lawsuit against the Defendants and the *other* Released Defendant Parties about the Released Claims in this case you *must* exclude yourself from this Class (*see* Question 13).

K. GETTING MORE INFORMATION

23. Are there more details about the proposed Settlement?

This Notice summarizes the proposed Settlement. More details are in the Stipulation, dated July 21, 2014. You may review the Stipulation or other documents filed in the case during business hours at the Office of the Clerk of the United States District Court for the Middle District of Florida, Sam M. Gibbons United States Courthouse, 801 North Florida Avenue, Tampa, FL 33602.

You also may call the Claims Administrator toll free at 800-766-3330; write to, Accentia/Biovest Securities Litigation, c/o Berdon Claims Administration LLC, P.O. Box 9014, Jericho, NY 11753-8914; or visit the Settlement website at www.berdonclaims.com, where you can download copies of the Stipulation and Proof of Claim.

PLEASE DO NOT CALL THE COURT WITH QUESTIONS ABOUT THE SETTLEMENT

L. PLAN OF ALLOCATION OF NET SETTLEMENT FUND

24. How will my claim be calculated?

The purpose of the Plan of Allocation (the "Plan") is to distribute the Net Settlement Fund equitably to those Settlement Class Members who suffered economic losses resulting from the alleged misrepresentations and omissions by the Defendants during the Class Period.

The \$1.25 million Settlement Amount and any interest it earns is called the Settlement Fund. The Settlement Fund, minus all taxes, costs, fees and expenses (the "Net Settlement Fund"), will be distributed according to the Plan of Allocation described below to members of the Settlement Class who timely submit valid Proofs of Claim that show a Recognized Loss ("Authorized Claimants"), and who have an out-of-pocket net loss on all Class Period transactions in Accentia and Biovest common stock. The Court may approve the Plan, or modify it without additional notice to the Settlement Class. Any order modifying the Plan will be posted on the Settlement website at: www.berdonclaims.com. The Defendants had no involvement in the proposed Plan of Allocation.

The Claims Administrator will determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's "Recognized Loss," as described below. The Plan of Allocation is not intended to estimate the amount a Settlement Class Member might have been able to recover after a trial, nor is it intended to estimate the amount that will be paid to Authorized Claimants. No distributions to Authorized Claimants who would receive less than \$10.00 will be made, given the administrative expenses of processing and mailing such checks.

M. GENERAL PRINCIPLES OF THE PLAN OF ALLOCATION

1. Definitions

The term "Recognized Loss," as used herein, is not market loss or net market loss. Rather, it is a calculation to arrive at a loss figure for purposes of calculating an Authorized Claimant's *pro rata* participation in the Net Settlement Fund as described below.

2. Basis for recognized Loss for Claims

A "Recognized Loss" will be calculated for each acquisition/purchase of Accentia and Biovest common stock made during the Class Period as listed in the Proof of Claim form and for which adequate documentation is provided.

a. Computation of Loss Per Share for Common Stock Purchase Acquisitions

Computation of the Loss Per Share reflects price changes of Accentia common stock and Biovest common stock in reaction to certain public announcements regarding BiovaxID or other company information related to the alleged fraud, based on the allegations in the Consolidated Amended Complaint filed on January 21, 2014, and the evidence developed in support thereof.

b. Use of "FIFO" Methodology for Computation of Recognized Losses for Class Members Who Made Multiple Transactions in Accentia Common Stock and Biovest Common Stock

For claimants who made multiple purchases, acquisitions or sales of Accentia and/or Biovest common stock, purchases will be matched to sales using the "first-in/first out" (FIFO) inventory method. Specifically, sales during the Class Period will be matched first against the claimant's opening position on the first day of the Class Period, if any, and then matched chronologically thereafter against each purchase or acquisition during the Class Period. Sales matched to shares of Accentia or Biovest common stock from a claimant's opening position are excluded from the calculation of Recognized Loss.

Short sales and purchases to cover short sales (whether they occurred before, during, or after the Class Period) are not included when calculating Recognized Loss.

If a claimant had a market gain from his, her, or its overall transactions in Accentia and Biovest common stock during the Class Period, the value of his, her, or its net Recognized Loss will be \$0.00.

c. Acquisition by Gift, Inheritance or Operation of Law

If a Settlement Class Member acquired Accentia common stock and/or Biovest common stock by way of gift, inheritance or operation of law, such a claim will be computed by using the date and price of the original purchase and not the date and price of transfer.

d. Payments Less Than \$10

A payment to any Settlement Class Member that would amount to less than \$10.00 in total will not be included in the calculation of the Net Settlement Fund, and no payment to these Settlement Class Members will be distributed.

3. Calculation of Recognized Loss Per Share

For each share of Accentia common stock purchased during the Class Period and **still held at the close of trading** on August 14, 2012, the Recognized Loss Per Share will be the lesser of (i) the market loss (purchase price - \$0.17 per share [the closing price on August 14, 2012]) or (ii) \$0.05 per share.

For each share of Biovest common stock purchased during the Class Period and **still held at the close of trading** on August 14, 2012, the Recognized Loss Per Share will be the lesser of (i) the market loss (purchase price - \$0.30 per share [the closing price on August 14, 2012]) or (ii) \$0.11 per share.

4. Computation of Net Recognized Loss for Each Class Member

The Recognized Loss with respect to a purchase or acquisition of Accentia or Biovest common stock is calculated by multiplying the number of shares of each such purchase or acquisition times the appropriate Recognized Loss Per Share, as described in Section 3.

The Net Recognized Loss for each Class Member is calculated by adding the Class Member's Recognized Losses for all purchases or acquisitions during the Class Period.

5. Distribution of the Net Settlement Fund

The Net Recognized Loss will be used for calculating the allocation of the Net Settlement Fund and does not reflect the actual amount an Authorized Claimant can expect to recover from the Net Settlement Fund. The Net Recognized Losses of all Authorized Claimants may be greater than the Net Settlement Fund. In such event, each Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each Authorized Claimant's Net Recognized Loss bears to the total of the Recognized Losses of all Authorized Claimants. Payment in this manner shall be deemed conclusive against all Authorized Claimants.

N. SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If you purchased Accentia common stock (ABPI — CUSIP: 00430L103) and/or Biovest common stock (BVTIQ — CUSIP: 09069L102) during the period from July 26, 2008 to and through August 14, 2012, inclusive, for the beneficial interest of a person or organization other than yourself, the Court has directed that, **WITHIN SEVEN (7) CALENDAR DAYS OF YOUR RECEIPT OF THIS NOTICE**, you either: (a) provide to the Claims Administrator the name and last known address of each person or organization for whom or which you purchased shares of Accentia and/or Biovest common stock during such time period or; (b) request additional copies of this Notice and the Proof of Claim form, which will be provided to you free of charge, and within seven (7) calendar days of receipt of such copies, mail them directly to the beneficial owners of those Accentia and/or Biovest shares.

If you choose to follow alternative procedure (b), the Court has directed that, upon such mailing, you shall send a statement to the Claims Administrator confirming that the mailing was made as directed. You are entitled to reimbursement from the Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage and the cost of ascertaining the names and addresses of beneficial owners. Those expenses will be paid after request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator at:

Accentia/Biovest Securities Litigation
c/o Berdon Claims Administration LLC
P.O. Box 9014
Jericho, NY 11753-8914
Toll-Free Phone: 800-766-3330
Fax: 516-931-0810

Email: www.berdonclaims.com — click on "Contact Us"

Dated: October 22, 2014

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA