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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re NUVELO, INC. SECURITIES
LITIGATION

Master File No. 07-CV-04056-VRW

CLASS ACTION

**PLAINTIFFS' [PROPOSED] CLASS
CERTIFICATION ORDER**

DATE: March 3, 2011
TIME: 10:00 a.m.
COURTROOM: 6

WHEREAS, Lead Plaintiffs Juan Pablo Cabrera, Frank C. and Patricia A. Petronis, and Todd A. and Amy A. Stephens (“Lead Plaintiffs”) have brought this action against Defendants Nuvelo, Inc. (“Nuvelo” or the “Company”) and its three principal officers for violations of Sections 10(b) and 20(a) the Securities Exchange Act of 1934; and

WHEREAS, Lead Plaintiffs have filed a Motion for Class Certification, seeking to certify a class of all persons who purchased or otherwise acquired the publicly traded securities of Nuvelo, Inc. (“Nuvelo” or the “Company”) between January 5, 2006 through December 8, 2006, inclusive (the “Class Period”), including purchasers in Nuvelo’s January 31, 2006 registered stock offering, who were damaged thereby (the “Class”); and

WHEREAS, Lead Plaintiffs’ Motion has been fully briefed and argued; and

WHEREAS, on March 3, 2011, the Court held a hearing to considered Lead Plaintiffs’ Motion;

NOW THEREFORE, having reviewed and considered the submissions and arguments of all parties,

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED:

1. The Court finds that the action meets the requirements for class certification set forth in Rule 23(a), as follows:
 - a. Nuvelo’s common stock traded on the NASDAQ National Market throughout the Class Period. The Company had over 44 million shares outstanding at the beginning of the Class Period, which increased to almost 53 million shares by the end of the Class Period. More than 35 million shares of Nuvelo stock were held by non-affiliates throughout the Class Period (the “public float”), and the average trading volume of Nuvelo shares during the Class Period exceeded 587,000 shares

per trade day. As a result, there are undoubtedly thousands of class members, and these facts are more than sufficient to establish numerosity under Rule 23(a)(1).

b. The case presents numerous questions of law and fact which are common to all members of the class, including: (a) whether the federal securities laws were violated by Defendants; (b) whether Defendants omitted and/or misrepresented material facts; (c) whether Defendants knew or recklessly disregarded that their statements were false or misleading; (d) whether the prices of Nuvelo's publicly traded securities were artificially inflated; and (e) the extent of damage sustained by Class members and the appropriate measure of damages. These common questions of law and fact are sufficient to meet the requirements of Rule 23(a)(2).

c. This case satisfies the typicality requirement of Rule 23(a)(3) since the claims of all class members derive from the same legal theories and allege the same set of operative facts. Lead Plaintiffs, like the other Class members, allege that they purchased Nuvelo's securities at artificially inflated prices caused by defendants' misconduct, false and misleading statements and material omissions about the alfimeprase trials during the Class Period, and that they suffered losses when the Company's stock price declined after Nuvelo revealed that the trials had failed due to previously concealed facts and risks.

d. Lead Plaintiffs have no conflicts of interest with the class, have been actively involved in the litigation, and have selected experienced and qualified counsel. Accordingly, the requirements of Rule 23(a)(4) and Rule 23(g) have been met.

2. The Court finds that the action meets the requirements for class certification set forth in Rule 23(b)(3), as follows:

- a. The host of common questions of law and fact clearly predominate over individual questions because Defendants' alleged conduct affected all class members in the same manner and, through false statements, artificially inflated the price of Nuvelo's common stock. These questions clearly predominate over any potential non-class issues, as required by Rule 23(b)(3).
 - b. It is well settled that the class action device is the most efficient means of litigating securities fraud suits such as this one where a common course of conduct impacts numerous investors, many of whom in all likelihood have individual claims too small to warrant an individual suit. Accordingly, the "superiority" prong of Rule 23(b)(3) is also met.
3. Pursuant to Fed. R. Civ. P. 23, the Court certifies a Class consisting of the following persons:

All persons who purchased or otherwise acquired the publicly traded securities of Nuvelo, Inc. ("Nuvelo" or the "Company") between January 5, 2006 through December 8, 2006, inclusive (the "Class Period"), including purchasers in Nuvelo's January 31, 2006 registered stock offering, who were damaged thereby (the "Class"). Excluded from the Class are defendants, members of the immediate family of the defendants, the Company's officers and directors, affiliates, legal representatives, heirs, predecessors, successors and assigns, and any entity in which the Company has a controlling interest or of which the Company is a parent or subsidiary.
4. The Court appoints Lead Plaintiffs Juan Pablo Cabrera, Frank C. and Patricia A. Petronis, and Todd A. and Amy A. Stephens as Class Representatives.
5. The Court appoints Izard Nobel LLP and Berger & Montague, P.C. as Class Counsel, and Robbins Geller Rudman & Dowd LLP as Liaison Counsel for the Class.
6. Counsel for the parties shall meet and confer concerning the provision of adequate notice to the Class of the contents of this Order.

Date

United States District Judge

CERTIFICATE OF SERVICE

I hereby certify that on December 15, 2010, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the e-mail addresses denoted on the attached Electronic Mail Notice List, and I hereby certify that I have mailed the foregoing document or paper via the United States Postal Service to the non-CM/ECF participants indicated on the attached Manual Notice List.

I further certify that I caused this document to be forwarded to the following Designated Internet Site at: <http://securities.stanford.edu>.

I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on December 15, 2010.

/s/
JEFFREY S. NOBEL

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