DECLARATION OF JEFF D. FRIEDMAN
IN SUPPORT OF FINAL APPROVAL OF
SETTLEMENT, PLAN OF ALLOCATION
AND FEES AND EXPENSES

DATE: March 9, 2007
TIME: 9:00 a.m.
COURTROOM: The Honorable
Susan Illston
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<td>24</td>
</tr>
</tbody>
</table>

DECLARATION OF JEFF D. FRIEDMAN IN SUPPORT OF FINAL APPROVAL OF SETTLEMENT, PLAN OF ALLOCATION AND FEES AND EXPENSES - C-03-3709-SI
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I, JEFF D. FRIEDMAN, declare as follows:

1. I am of counsel to Lerach Coughlin Stoia Geller Rudman & Robbins LLP (“Lerach Coughlin”), counsel for the Lead Plaintiff in this action. I am actively involved in the prosecution of this action (hereinafter, the “Litigation”), am familiar with its proceedings, and have personal knowledge of the matters set forth herein based upon my active supervision and participation in all material aspects of the Litigation.

2. I submit this declaration in support of Lead Plaintiff’s application, pursuant to Rule 23 of the Federal Rules of Civil Procedure, for approval of (a) the Stipulation of Settlement dated as of October 16, 2006 (the “Stipulation”) for a cash settlement of $13,350,000 (the “Settlement Fund”);1 (b) the proposed Plan of Allocation; and (c) Lead Counsel’s application for attorneys’ fees and reimbursement of expenses and reimbursement of the Lead Plaintiff’s time and expenses incurred in prosecuting the Litigation on behalf of the Class.2

I. PRELIMINARY STATEMENT

3. This case has been vigorously litigated from its commencement in August 2003, a period of over three years. At every stage of the Litigation, counsel for Defendants have asserted aggressive defenses and expressed their belief that the Lead Plaintiff could not prevail on the claims asserted. The settlement was not achieved until Lead Plaintiff, inter alia:

   • litigated complicated motions to dismiss and, in the main, successfully defeated Defendants’ challenges to the complaints filed in this Litigation;

   • successfully litigated numerous complex discovery motions involving, inter alia, the Defendants’ practices concerning electronic storage of information;

   • fully briefed and argued the issue of class certification and obtained certification of the Class;

1 The Stipulation resolves the claims against the Defendants – CV Therapeutics, Inc., (“CVT” or the “Company”), Louis G. Lange, and Daniel K. Speigelman (collectively, the “Defendants”). All individual defendants are collectively referred to as the “Individual Defendants.”

2 References to the “Class” are to the Class certified by this Court, defined as all Persons who purchased the publicly traded securities of CV Therapeutics between December 30, 2002 and December 5, 2003 (“Class Period”). The Court-approved Lead Plaintiff in this action, David Crossen, is referred to as “Lead Plaintiff.”
• conducted extensive discovery, including the review and analysis of approximately 1.5 million pages of documents produced by Defendants, thousands of pages of documents produced by numerous third parties, and conducted several depositions, which required the understanding of highly technical and scientific issues in the case;

• responded to discovery propounded by Defendants, including defending the depositions of the Lead Plaintiff and several third party witnesses;

• conducted detailed investigative interviews of witnesses, including former employees of defendant CVT; and

• consulted with experts with respect to class damages, efficient market theories, disclosure and drug approval industry practices, and scientific and medical issues associated with the Company’s drug, Ranexa.

4. This settlement is the product of hard-fought litigation and takes into consideration the risks specific to the case. The settlement was negotiated by experienced counsel for the Lead Plaintiff and Defendants with a firm understanding of both the strengths and weaknesses of their respective positions.

5. Lead Plaintiff believes that this settlement represents an excellent result for the Class. By the time the settlement was reached, Lead Plaintiff had conducted significant discovery and engaged in extensive motion practice including successfully opposing Defendants’ motions for dismissal, retained numerous experts, and had commenced the preparation of expert reports to be exchanged by the parties in anticipation of litigating Defendants’ motion for summary judgment. As a result, Lead Plaintiff learned that while the case had strengths, there were uncertainties and risks, which, along with a number of external factors, had to be, and were, conscientiously evaluated in determining what course of action was in the best interests of the Class (i.e., whether to settle and on what terms, or continue with the Litigation and proceed to summary judgment and then trial).

6. The core of Lead Plaintiff’s allegations is that Defendants intentionally, or with reckless disregard, made material misstatements and omissions which caused the artificial inflation of the price of CVT securities during the Class Period, in violation of the federal securities laws. More specifically, Lead Plaintiff alleged that during the Class Period, CVT deceived investors concerning facts known to Defendants that would have revealed FDA approval of Ranexa was substantially less likely than Defendants led investors to believe and, even if ultimately approved,
the FDA’s concerns regarding Ranexa’s safety and efficacy would most likely limit the market size for the drug (generally referred to as “adverse Ranexa facts”).

7. The First Amended Consolidated Class Action Complaint (the “First Amended Complaint”) alleged that Defendants concealed these adverse Ranexa facts by causing various false and misleading statements to be issued to investors via certain public documents or statements, i.e., press releases, communications with the financial media, and in analyst conference calls and reports concerning the Company. Lead Plaintiff alleged that Defendants knew or recklessly disregarded that the misleading statements and omissions complained of would artificially influence the value of CVT’s securities. Moreover, the First Amended Complaint alleged that certain CVT insiders, named among the Defendants, engaged in unlawful insider trading in CVT securities during the Class Period.

8. Lead Plaintiff further alleged that the artificial inflation of the price of CVT securities during the Class Period which, inter alia, enabled certain defendants to successfully trade on inside, non-public information and also permitted CVT to issue securities on more favorable terms. The First Amended Complaint details that upon public disclosure revealing the adverse Ranexa facts, CVT’s investors sustained financial harm as the value of CVT’s securities declined substantially.

9. In reaching the determination to settle the Litigation for $13,350,000, Lead Plaintiff and his counsel weighed the testimony and informal statements of certain witnesses and documents they believed to be supportive of the allegations, against the testimony of other witnesses and documents that the Defendants believed undercut those allegations. Lead Plaintiff’s counsel also considered Defendants’ characterizations and interpretations of the evidence as presented during the numerous settlement discussions, several of which were overseen by two different experienced mediators.

10. In addition, Defendants’ arguments in motions and in settlement discussions highlighted the fact that there were legal issues that were unsettled, which could be adversely decided against Lead Plaintiff and the Class. All of these issues, and the risks attendant to them, were carefully considered by Lead Plaintiff and his counsel in deciding to settle this Litigation on the agreed terms.
11. On balance, considering all the circumstances and risks both sides faced were the Litigation to continue, the conclusion was reached that settlement on the terms agreed upon was in the best interests of the Class. Importantly, the settlement also enjoys the support of the Court-appointed Lead Plaintiff who was actively involved in the Litigation.

12. The settlement clearly confers a substantial benefit on the Class, and eliminates the significant risks of continued litigation posed to the Settling Parties. It is respectfully submitted that the settlement with the Defendants should be approved as fair, reasonable, and adequate; Lead Counsel should be awarded attorneys’ fees of 30% of the $13,350,000 Settlement Fund plus reimbursement of their expenses in the amount of $437,386.84; the Lead Plaintiff should be reimbursed for his time and expenses of $26,000 for his efforts in creating this benefit for the Class; and the Plan of Allocation should be approved.

13. Lead Counsel have prosecuted this Litigation on a wholly contingent basis and have advanced or incurred all litigation expenses. By doing so, Lead Counsel have long-shouldered the risk of an unfavorable result. Lead Counsel have not received any compensation for their three-year effort; nor have they been reimbursed for their substantial expenses. The very complex and scientifically technical nature of the facts, as well as the law and the protracted litigation associated with the securities violations alleged against the Defendants, have resulted in substantial expenses as well as the investment of over 11,646 hours of attorney and para-professional time with a resulting lodestar of $4,168,493.00.

14. The fee application for 30% of the $13,350,000 Settlement Fund recovered is fair both to the Class and Lead Counsel and warrants the Court’s approval. The requested fee provides less than lodestar in this case. The percentage fee request is within the range of percentages frequently awarded in these types of actions and is entirely justified in light of the substantial benefits conferred on the Class, the risks undertaken, the quality of representation, and the nature and extent of legal services performed. Importantly, the Lead Plaintiff also supports the fee request before the Court based on the results obtained. See the concurrently-filed Declaration of David Crossen.
15. Lead Counsel also seek approval of the reimbursement of expenses reasonably and necessarily incurred in prosecuting this complex securities action for over the last three-plus years. Counsel seek expenses of $437,386.84. This amount includes the fees and expenses of consultants and experts, whose services Lead Counsel required to successfully prosecute and resolve this case against the Defendants. Other major expenses in this category were for investigators, who helped Lead Counsel identify, locate and interview potential witnesses, and consultants who assisted Lead Counsel in analyzing the complex scientific issues in this case, and establishing a cogent damage theory, given the presence of multiple, challenged statements made during the Class Period.

16. Lead Counsel also incurred significant expenses for electronic storage, photocopying, imaging and review of millions of pages of documents, travel expenses, and online factual and legal research. As will be seen from the discussion of Lead Counsel’s efforts required over the last three years to achieve this settlement, these expenses were reasonably and necessarily incurred to obtain this successful result.

17. As allowed under the Private Securities Litigation Reform Act of 1995 (“PSLRA”), the Lead Plaintiff, David Crossen, seeks reimbursement for his time and expenses in the amount of $26,000. See Declaration of David Crossen filed herewith. I believe this request is appropriate and should be approved.

18. The following is a summary of the nature of the Lead Plaintiff’s claims, the principal events which occurred during the course of this Litigation, and the legal services provided by Lead Counsel.

II. SUMMARY OF LEAD PLAINTIFF’S ALLEGATIONS

19. This is a securities class action on behalf of all persons who purchased the publicly traded securities of CVT during the Class Period, against CVT and certain of its officers for violations of the Securities Exchange Act of 1934 (the “Exchange Act”).

20. Throughout the Class Period, Defendants allegedly disseminated a multitude of materially false and misleading statements concerning adverse Ranexa facts. These statements allegedly artificially inflated the price of the Company’s publicly traded securities.
III. HISTORY OF THE ACTION

21. On August 8, 2003, plaintiff Crossen filed a class action complaint against CVT and certain of its officers alleging violations of §10(b) of the Exchange Act and SEC Rule 10b-5 promulgated thereunder, on behalf of purchasers of CVT’s publicly traded securities during the period of May 14, 2003 to August 1, 2003. In all, a total of four actions involving similar claims were filed in this District. The actions filed were:

<table>
<thead>
<tr>
<th>Abbreviated Case Name</th>
<th>Case Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crossen v. CV Therapeutics, Inc. et al.</td>
<td>C-03-3709-SI</td>
</tr>
<tr>
<td>Morgan v. CV Therapeutics, Inc. et al</td>
<td>C-03-3768-MJJ</td>
</tr>
<tr>
<td>Negin v. CV Therapeutics, Inc. et al</td>
<td>C-03-3790-MJJ</td>
</tr>
<tr>
<td>Adams v. CV Therapeutics, Inc. et al</td>
<td>C-03-3920-MJJ</td>
</tr>
</tbody>
</table>

22. On October 7, 2003, plaintiff David Crossen moved for his appointment as lead plaintiff, and to approve his choice of counsel: Milberg Weiss Bershad Hynes & Lerach LLP ("Milberg Weiss").

23. On November 25, 2003, the Court granted plaintiff David Crossen’s motion for lead plaintiff and appointed David Crossen Lead Plaintiff. The Court also approved David Crossen’s choice of Lead Counsel. Throughout the Litigation, Lead Counsel communicated on a regular basis with Lead Plaintiff regarding the status of the case. Lead Plaintiff was provided with copies of the significant pleadings and Court orders filed and periodically Lead Counsel arranged telephone conferences to update the Lead Plaintiff on recent events and to review upcoming issues. Also, the Lead Plaintiff was kept apprised of all settlement negotiations with Defendants and ultimately approved the instant settlement.

24. After an extensive investigation, including interviews with numerous non-parties, on January 20, 2004, Lead Plaintiff filed a consolidated amended complaint for violation of the

3 The lawyers from Milberg Weiss who represented David Crossen in this Litigation subsequently changed firm affiliation to the partnership now known as Lerach Coughlin Stoia Geller Rudman & Robbins LLP. A Notice of Change of Firm Affiliation was filed with this Court on May 6, 2004.
The consolidated amended complaint was sixty-three pages long and named as defendants CVT, Louis G. Lange, Brent K. Blackburn, Daniel K. Speigelman, and Luiz Belardinelli. The consolidated amended complaint also expanded the class period to commence on December 30, 2002 and to conclude on December 5, 2003.

IV. MOTIONS TO DISMISS THE COMPLAINT

25. On March 22, 2004, the Individual Defendants and CVT separately filed two motions to dismiss, totaling 50 pages. Defendants’ complex motions asserted numerous arguments why the consolidated amended complaint should be dismissed. The thrust of Defendants’ arguments were that: (i) Lead Plaintiff failed to specify each statement alleged to be misleading, and the reasons why the statement was misleading as required by the PSLRA; (ii) many of the facts allegedly concealed were disclosed in CVT’s public filings; (iii) many of the allegedly misleading statements were forward-looking statements protected by the PSLRA “safe harbor”; (iv) Lead Plaintiff’s allegations of scienter failed to meet the heightened pleading standards of the PSLRA, which require allegations of facts giving rise to a strong inference of fraudulent intent; and (v) the claims alleging control person liability under §20(a) of the Exchange Act and insider trading liability under §20A failed along with the predicate claim for violation of Rule 10b-5.

26. On May 6, 2004, Lead Plaintiff filed his consolidated opposition to the Defendants’ motions to dismiss the consolidated amended complaint. In his comprehensive 41-page opposition to Defendants’ motions, Lead Plaintiff argued that each of Defendants’ reasons to dismiss the consolidated amended complaint was meritless. Lead Plaintiff argued, inter alia, that he had adequately alleged, under the PSLRA, Defendants’ false and misleading statements and that those statements were made with the requisite state of mind, and were not entitled to “safe harbor” protection under the PSLRA. Lead Plaintiff also argued that he had adequately alleged Defendants’ intentional or reckless conduct and that the consolidated amended complaint properly pled claims for control person liability and insider trading. Lead Plaintiff cited extensive legal authorities and arguments in opposition to Defendants’ motions to dismiss, with Lead Counsel spending many hours performing the legal research necessary to draft an effective opposition to Defendants’ motions.
27. On May 27, 2004, Defendants filed two reply briefs in support of their motions to
   dismiss the consolidated amended complaint. After oral argument, the Court took Defendants’
   motions to dismiss under submission.

28. On August 5, 2004, the Court entered an Order granting in part and denying in part
   Defendants’ motions to dismiss. The Court upheld the allegations against CVT, and defendants
   Lange and Speigelman, but dismissed the action against defendants Blackburn and Belardinelli
   without leave to amend.

29. On September 20, 2004, Defendants answered the consolidated amended complaint,
   denying all material allegations and raising numerous affirmative defenses.

V. CLASS CERTIFICATION

30. On January 21, 2005, Defendants deposed the Lead Plaintiff covering topics related
   to whether Lead Plaintiff satisfied the class representative criteria set forth in Federal Rule of Civil
   Procedure 23.

31. On February 11, 2005, Lead Plaintiff filed his motion for class certification, seeking
   the Court’s certification of the case as a class action and certification of David Crossen as the class
   representative. Lead Plaintiff also responded to and produced discovery relating to this motion.

32. On March 23, 2005, Defendants filed their opposition to Lead Plaintiff’s motion for
   class certification, arguing that class certification should not be granted for numerous reasons and
   attached several exhibits in support of their opposition.

33. Because of the issues Defendants raised in their opposition to class certification, on
   April 6, 2005, Lead Plaintiff filed an extensive reply memorandum in support of his motion for class
   certification along with supporting exhibits. Lead Plaintiff refuted Defendants’ argument which
   claimed the proposed class representative was: (i) inadequate to serve as a class representative, and
   (ii) an atypical class member who was not entitled to rely upon the fraud-on-the-market presumption
   in connection with his Rule 10b-5 claims.

34. Lead Plaintiff supported his reply memorandum to Defendants class certification
   opposition with a sworn expert declaration by Jane Nettesheim, who detailed Lead Plaintiff’s trading
   activities and explained those trades in relation to market economics.
VI. MERITS DISCOVERY

A. Written Discovery to Defendants

35. Lead Plaintiff served numerous requests for documents on Defendants:

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<thead>
<tr>
<th>Type</th>
<th>Set No.</th>
<th>Served</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Request for Production of Documents</td>
<td>One</td>
<td>09/20/04</td>
</tr>
<tr>
<td>Second Request for Production of Documents</td>
<td>Two</td>
<td>10/20/04</td>
</tr>
<tr>
<td>Third Request for Production of Documents</td>
<td>Three</td>
<td>11/04/05</td>
</tr>
<tr>
<td>Fourth Request for Production of Documents</td>
<td>Four</td>
<td>08/18/06</td>
</tr>
</tbody>
</table>

Lead Counsel met and conferred with Defendants on every request, and were forced to file numerous motions to compel the documents requested due to Defendants’ positions.

B. Depositions

36. Lead Counsel also conducted and attended depositions of witnesses in various locations throughout the United States. The majority of those depositions are set forth as follows:

<table>
<thead>
<tr>
<th>Witnesses</th>
<th>Date of Deposition</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doug Sheehy</td>
<td>01/19/05</td>
<td>San Francisco, CA</td>
</tr>
<tr>
<td>David Crossen</td>
<td>01/21/05</td>
<td>San Francisco, CA</td>
</tr>
<tr>
<td>Atul Laddu</td>
<td>02/14/05</td>
<td>San Francisco, CA</td>
</tr>
<tr>
<td>Floyd Haas</td>
<td>03/03/05</td>
<td>San Francisco, CA</td>
</tr>
<tr>
<td>Carol Karp (30(b)(6) designee)</td>
<td>12/02/05, 07/07/05</td>
<td>San Francisco, CA, Menlo Park, CA</td>
</tr>
<tr>
<td>Chris Chai (30(b)(6) designee)</td>
<td>11/02/05</td>
<td>Menlo Park, CA</td>
</tr>
<tr>
<td>Robert Fenichel</td>
<td>01/27/06</td>
<td>Washington, DC</td>
</tr>
<tr>
<td>Jeremy Ruskin</td>
<td>02/27/06</td>
<td>Boston, MA</td>
</tr>
<tr>
<td>Raymond Lipicky</td>
<td>03/03/06</td>
<td>Washington, DC</td>
</tr>
<tr>
<td>Nicholas Paoni</td>
<td>08/08/06</td>
<td>San Diego, CA</td>
</tr>
</tbody>
</table>

Depositions were also noticed and pending for the following key witnesses at the time this case settled:

<table>
<thead>
<tr>
<th>Fact Witnesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>David McCaleb</td>
</tr>
<tr>
<td>Chris Chai</td>
</tr>
<tr>
<td>Brent Blackburn</td>
</tr>
<tr>
<td>John Bluth</td>
</tr>
<tr>
<td>Carol Karp</td>
</tr>
<tr>
<td>Andrew Wolff</td>
</tr>
<tr>
<td>Margaret Dillon</td>
</tr>
</tbody>
</table>
At the point that the parties agreed to settle this Litigation, Lead Counsel had substantially prepared for many of these depositions – gathering and reviewing thousands of relevant documents pertaining to each of the above individuals.

C. Third Party Discovery

37. Starting in 2004, and continuing throughout the Litigation, Lead Counsel issued subpoenas for documents to over 20 third parties. Ultimately, nearly all of those third parties produced responsive documents to Lead Plaintiff. Lead Counsel spent countless hours following up with these third parties on deficiencies in their productions and reviewing and analyzing these documents.

38. The following third parties were subpoenaed for documents by Lead Plaintiff in this Litigation:

<table>
<thead>
<tr>
<th>NON-PARTY</th>
<th>DATE/TIME</th>
<th>LOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bear, Stearns &amp; Co. Inc.</td>
<td>March 23, 2005</td>
<td>Lerach Coughlin Stoia Geller</td>
</tr>
<tr>
<td>c/o CT Corporation System</td>
<td>10:00 a.m.</td>
<td>Rudman &amp; Robbins LLP</td>
</tr>
<tr>
<td>818 West Seventh Street</td>
<td></td>
<td>9601 Wilshire Blvd., Suite 510</td>
</tr>
<tr>
<td>Los Angeles, CA  90017</td>
<td></td>
<td>Los Angeles, CA  90210</td>
</tr>
<tr>
<td>Deutsche Bank Securities Inc.</td>
<td>March 23, 2005</td>
<td>Lerach Coughlin Stoia Geller</td>
</tr>
<tr>
<td>c/o CT Corporation System</td>
<td>10:00 a.m.</td>
<td>Rudman &amp; Robbins LLP</td>
</tr>
<tr>
<td>818 West Seventh Street</td>
<td></td>
<td>9601 Wilshire Blvd., Suite 510</td>
</tr>
<tr>
<td>Los Angeles, CA  90017</td>
<td></td>
<td>Los Angeles, CA  90210</td>
</tr>
<tr>
<td>U.S. Bancorp Investments, Inc.</td>
<td>March 23, 2005</td>
<td>Lerach Coughlin Stoia Geller</td>
</tr>
<tr>
<td>c/o CT Corporation System</td>
<td>10:00 a.m.</td>
<td>Rudman &amp; Robbins LLP</td>
</tr>
<tr>
<td>818 West Seventh Street</td>
<td></td>
<td>9601 Wilshire Blvd., Suite 510</td>
</tr>
<tr>
<td>Los Angeles, CA  90017</td>
<td></td>
<td>Los Angeles, CA  90210</td>
</tr>
<tr>
<td>NON-PARTY</td>
<td>DATE/TIME</td>
<td>LOCATION</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td>-----------------------</td>
<td>---------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Needham &amp; Company, Inc. c/o Chad Keck</td>
<td>March 23, 2005 10:00 a.m.</td>
<td>Lerach Coughlin Stoia Geller Rudman &amp; Robbins LLP 100 Pine Street, Suite 2600 San Francisco, CA 94111</td>
</tr>
<tr>
<td>3000 Sand Hill Rd., Bldg. 2, #190 Menlo Park, CA 94025</td>
<td></td>
<td></td>
</tr>
<tr>
<td>First Albany Capital Inc. c/o CT Corporation System 818 West Seventh Street Los Angeles, CA 90017</td>
<td>March 23, 2005 10:00 a.m.</td>
<td>Lerach Coughlin Stoia Geller Rudman &amp; Robbins LLP 9601 Wilshire Blvd., Suite 510 Los Angeles, CA 90210</td>
</tr>
<tr>
<td>SG Cowen Securities Corporation c/o CT Corporation System 818 West Seventh Street Los Angeles, CA 90017</td>
<td>March 23, 2005 10:00 a.m.</td>
<td>Lerach Coughlin Stoia Geller Rudman &amp; Robbins LLP 9601 Wilshire Blvd., Suite 510 Los Angeles, CA 90210</td>
</tr>
<tr>
<td>Morgan Stanley &amp; Co. Inc. c/o Corporation Service Co., d/b/a CSC-Lawyers Incorporation Service 2730 Gateway Oaks Dr., Ste. 100 Sacramento, CA 95833</td>
<td>March 23, 2005 10:00 a.m.</td>
<td>Lerach Coughlin Stoia Geller Rudman &amp; Robbins LLP 100 Pine Street, Suite 2600 San Francisco, CA 94111</td>
</tr>
<tr>
<td>CIBC World Markets Corp. c/o The Prentice-Hall Corporation System, Inc. 2730 Gateway Oaks Dr., Suite 100 Sacramento, CA 95833</td>
<td>March 23, 2005 10:00 a.m.</td>
<td>Lerach Coughlin Stoia Geller Rudman &amp; Robbins LLP 100 Pine Street, Suite 2600 San Francisco, CA 94111</td>
</tr>
<tr>
<td>Lehman Brothers Inc. c/o Corporation Service Co., d/b/a CSC-Lawyers Incorporation Service 2730 Gateway Oaks Dr., Ste. 100 Sacramento, CA 95833</td>
<td>March 23, 2005 10:00 a.m.</td>
<td>Lerach Coughlin Stoia Geller Rudman &amp; Robbins LLP 100 Pine Street, Suite 2600 San Francisco, CA 94111</td>
</tr>
<tr>
<td>Susquehanna Financial Group, L.P. c/o CT Corporation System 818 West Seventh Street Los Angeles, CA 90017</td>
<td>March 23, 2005 10:00 a.m.</td>
<td>Lerach Coughlin Stoia Geller Rudman &amp; Robbins LLP 9601 Wilshire Blvd., Suite 510 Los Angeles, CA 90210</td>
</tr>
<tr>
<td>CRT Biomed LLC c/o Corporation Service Company 84 State Street Boston, MA 02109</td>
<td>March 23, 2005 10:00 a.m.</td>
<td>IKON North America One Federal Street Boston, MA 02110</td>
</tr>
</tbody>
</table>
39. The following CVT consultants were also served with subpoenas to produce documents and appear for deposition:

<table>
<thead>
<tr>
<th>CVT CONSULTANTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Robert Fenichel</td>
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<tr>
<td>Raymond J. Lipicky</td>
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<tr>
<td>Jeremy N. Ruskin</td>
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<td>Frank J. Sasinowski</td>
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</tbody>
</table>

40. Lead Counsel engaged in numerous conferences with most of the subpoenaed third parties to discuss those third parties’ objections to the subpoenas, to negotiate the scope of the subpoenas and to arrange for the production of responsive documents. This required extensive coordinated efforts and expenditures of time and money on Lead Counsel’s part.
D. Discovery Disputes

1. Disputes with Defendants

41. The parties litigated numerous complex discovery disputes during the course of the Litigation. Prior to filing motions to compel, and other motions, as well as responding to motions filed by Defendants, Lead Counsel spent thousands of hours analyzing documents in an effort to narrow the scope of discovery disputes while still aggressively pursuing Lead Plaintiff’s discovery rights. Lead Counsel spent many hours preparing for “meet and confer” conferences with defense counsel, conducting those conferences and preparing letters memorializing those conversations. Examples of a few of the discovery disputes between the parties are set forth below.

a. Protective Order

42. Lead Plaintiff and Defendants disagreed on the content and scope of a protective order to govern the treatment of confidential documents. The parties briefed the issue no less than twice for ultimate determination by the Court.

b. Motions to Compel or for Sanctions

43. Throughout the Litigation there were continuing discovery disputes between the parties, many of which could not be resolved informally, thereby necessitating Court intervention. Issues hotly contested by the parties included:

• Defendants’ repeated assertion of privilege claims in not producing thousands of documents to Lead Plaintiff;

• Lead Plaintiff’s request for Defendants to produce electronic discovery from backup tapes;

• Defendants’ request for the identity of confidential witnesses;

• Lead Plaintiff’s request for production of documents in their native format with metadata;

• Defendants’ request that confidential witness depositions take place prior to mediation;

• Lead Plaintiff’s motion for sanctions and for an order of contempt against defense counsel;

• Defendants’ motion to compel additional testimony from CW1 that Lead Plaintiff claimed to be privileged material;
• Defendants’ demand for the return of inadvertently produced documents that Defendants claimed were privileged;
• Lead Plaintiff’s objection to Defendants’ use of search terms; and
• Defendants’ failure to adequately amend their privilege log.

All of these issues had to be fully briefed and submitted to the Court or Magistrate Judge Chen.

2. Discovery Disputes with Third Parties

44. Virtually all of the third parties served with subpoenas objected, requiring many hours of attorney time for meet and confer discussions and preparation for the same. Lead Plaintiff successfully negotiated with these third parties concerning the scope of the documents produced, depositions to be given in this matter and the providing of electronic data, in some cases.

E. Informal Interviews

45. In connection with their investigation of this case, Lead Plaintiff used investigators who expended substantial time and effort identifying, locating and contacting numerous individuals, including former CVT employees, who had relevant information supporting Lead Plaintiff’s allegations.

VII. EXPERTS AND INVESTIGATORS

A. FDA and Scientific Consultants

46. The regulatory and scientific medical context in which the Litigation occurred required Lead Counsel to seek the assistance of consultants experienced with the FDA regulatory approval process as well as those knowledgeable in the area of very specialized medical science. A host of important regulatory and scientific medical issues were raised by the facts of this Litigation. These included, for example: (i) the impact of a PDUFA date and a Major Amendment to an applicant’s NDA; (ii) the meaning and importance of First-Line versus Second-Line approval; (iii) the availability and impact of Approval, Approvable, and Non-Approvable letters; (iv) the relevance of a Discipline Review letter; and (v) FDA advisory panel practice. These industry-specific regulatory practices had to be fully understood to properly assess Lead Plaintiff’s case. Moreover,
Lead Counsel had to establish a working knowledge of the medical science relating to Ranexa, specifically QTC prolongation and Torsade De Pointes.

**B. Other Experts**

47. Lead Plaintiff also needed consultants and experts in the areas of materiality, damages, and disclosure obligations. These experts were necessary to rebut Defendants’ experts with their own expert reports and assist Lead Counsel in prosecuting the case.

**C. Investigators**

48. In the post-PSLRA era, the use of investigators to gather detailed, fact-specific information from percipient witnesses is necessary in drafting the type of highly particularized complaints mandated by the pleading standards of the PSLRA. Lead Counsel utilized investigators to perform investigative and consulting services relating to the Litigation. The principal tasks performed by the investigators were identifying, locating, and interviewing former employees and other potentially knowledgeable witnesses, as well as performing research and analysis relevant to Lead Plaintiff’s allegations against CVT. The private investigators drafted memos summarizing their interviews with witnesses, as well as discussed their findings and research with Lead Counsel. This investigation also significantly aided Lead Counsel in identifying potential deponents, evaluating the strengths and weaknesses of Lead Plaintiff’s case, and ultimately, settling the case. In sum, the efforts of the investigators were integral in achieving this settlement on behalf of the Class.

**D. Other Expenses**

49. Other expenses include the costs of computerized research. For example, Lead Counsel was charged for conducting computerized factual and legal research using the LEXIS/Nexis, West Publishing Corporation, Dow Jones, Pacer Service Center and Choice Point services. In the modern litigation era, it is standard practice for attorneys to use these services to assist them in researching both legal and factual issues. These services also allowed Lead Counsel to access CVT’s SEC filings, perform media searches on CVT, obtain analysts’ reports on CVT, develop Lead Plaintiff’s damage analyses, and locate and obtain information about witnesses and Defendants. Reimbursement of those expenses is appropriate.
50. Lead Counsel were also required to travel in connection with this Litigation, and thus incurred related costs for meals, lodging, and transportation. For example, Lead Counsel were required to travel to interview witnesses, attend document productions, meet with experts, attend depositions, and attend mediation sessions.

51. Photocopy costs are customarily reimbursed in common fund cases. Duplication of the documents obtained from public sources, Defendants, and former employees is vital.

52. Telephone and telecopier expenses incurred by counsel, which are normally charged to a fee paying client, are reimbursable. Lead Counsel’s telephone and telecopier expenses are reasonable, were necessary to the prosecution of the Litigation, and should be reimbursed here. Likewise, reimbursement of filing, service of process and witness fees is appropriate.

53. The expense of court reporters was obviously essential to the effective prosecution of this Litigation and the amount requested represents the extensive discovery undertaken and Court proceedings that have taken place.

54. Lead Counsel are also seeking reimbursement for expenses incurred by reason of Lead Plaintiff’s compliance with the PSLRA, 15 U.S.C. §78u-4(a)(3)(A)(i), which requires that, within 20 days after the date on which a class action is filed under the PSLRA, “the plaintiff or plaintiffs shall cause to be published, in a widely circulated national business-oriented publication or wire service, a notice advising members of the purported plaintiff class – (I) of the pendency of action, the claims asserted therein, and the purported class period; and (II) that, not later than 60 days after the date on which the notice is published, any member of the purported class may move the court to serve as lead plaintiff of the purported class.”

55. Finally, under the PSLRA, the Court may award “reasonable costs and expenses (including lost wages) directly relating to the representation of the class to any representative party serving on behalf of a class.” 15 U.S.C. §78u-4(a)(4). Lead Plaintiff spent a substantial amount of time representing the Class throughout the course of the Litigation, and incurred certain costs and expenses for which he now seeks reimbursement. Importantly, the considerable amounts of time, effort and expense that Lead Plaintiff devoted to this Litigation are encouraged by Congress, and
were instrumental in achieving this highly favorable settlement. The amount requested is reasonable and should be approved by the Court.

VIII. THE STRENGTHS AND WEAKNESSES OF THE CASE

56. After reviewing approximately 1.5 million pages of documents, conducting detailed substantive witness interviews, and taking or otherwise participating in numerous depositions, Lead Plaintiff believed that he developed and possessed sufficient evidence to fairly analyze the case against Defendants and weigh the risks inherent in continuing the litigation.

57. The discovery in the case revealed that each of the parties would be able to point to substantial evidence supporting their contentions and contradicting the other side’s arguments. For example, with respect to scienter, documentary and testimonial evidence would often both support and contradict the party’s argument who was proffering the evidence. The allegations here involve Defendants misleading investors by failing to disclose adverse Ranexa facts. There was evidence that tended to prove – as well as undermine – the severity of the adverse Ranexa facts. Additionally, a significant factual dispute existed as to when those facts were known by Defendants. This serious dispute bears not only on scienter but also on the length of the class period and resulting damages calculation.

58. After the many settlement discussions and three separate mediation sessions, it is very clear that the Defendants do not agree that Lead Plaintiff would have prevailed on any of the claims asserted in the Litigation, or on the average amount of damages per security that would have been recoverable if Lead Plaintiff prevailed on his claims. Throughout the entire litigation, Defendants adamantly maintained that the value of Lead Plaintiff’s claims was less than the directors’ and officers’ insurance liability coverage limits. Due to the complexity of the contested facts and the extensive and costly discovery issues in this case, continued litigation through summary judgment and trial would have likely significantly reduced monies available to satisfy a judgment against Defendants. Although CVT had a substantial cash position on its balance sheet at the time settlement was reached, CVT was generating de minimis revenue and burning cash at a rate of approximately $100 million per year. Thus, the Company’s financial condition had to be weighed in reaching a settlement here. The complexity of the science, while not an element of Lead Plaintiff’s
cause of action, also militated in favor of reaching settlement. In order to demonstrate the
materiality of the alleged adverse Ranexa facts withheld from investors, Lead Plaintiff would have
needed a jury to understand the medical science relating to QT prolongation and Torsade de Pointes.
Discovery revealed substantial controversy existed in this area and a growing body of scientific
evidence in the field was being debated in the scientific and regulatory community. While Lead
Plaintiff felt confident counsel could successfully educate a jury in this regard, the complexity of the
medical science presented a real risk to achieving a successful result for the Class.

59. Other issues that are the subject of the Litigation on which the parties disagree include: (a) the extent to which external factors, such as general market conditions, influenced the trading price of CVT securities at various times during the Class Period; (b) the extent to which the various matters that Lead Plaintiff alleged were materially false or misleading influenced (if at all) the trading price of CVT securities at various times during the Class Period; (c) the extent to which the various allegedly adverse material facts that Lead Plaintiff alleged were omitted influenced (if at all) the trading price of CVT securities at various times during the Class Period; and (d) the appropriate economic model for determining the amount by which the trading prices of CVT securities were allegedly artificially inflated (if at all) at any time during the Class Period.

60. Lead Counsel believe that because of the risks associated with continuing to litigate and proceeding to trial, there was a danger that the Lead Plaintiff would not have prevailed on any of his claims, in which case the Class would have received nothing. Specifically, Lead Counsel believed that the perceived weaknesses in Lead Plaintiff’s case centered on: (a) the difficulty to prove at trial that Defendants either knew or recklessly disregarded that their statements were false or misleading, given that Defendants would likely rely upon CVT’s communications with their consultants as a defense to their public statements; (b) facts in the market Defendants would point to in claiming investors were not misled by Defendants; and (c) Defendants’ likely assertion that Lead Plaintiff could not establish loss causation.

61. Indeed, the Defendants assert that they never made any false or misleading statements or omissions at any time. In addition, the amount of damages recoverable by the Class, if any, was and continues to be vigorously challenged by the Defendants. If the Litigation were tried,
recoverable damages, if any, would have been limited to losses caused by conduct actionable under the laws and, had the Litigation gone to trial, the Defendants likely would assert that all or most of the Class losses were caused by non-actionable market, industry or general economic factors. The Defendants also would have asserted that throughout the Class Period the uncertainties and risks associated with CVT’s business and financial condition were fully and adequately disclosed.

62. Finally, even if Lead Plaintiff prevailed on liability on any of his claims and was awarded damages, there was the significant risk that given the competing legal precedent applicable to the circumstances presented here, Defendants would appeal the verdict and award. The appeals process would have likely spanned several years, during which time the Class would have received no distribution on any damage award. In addition, an appeal of any verdict would carry the risk of reversal, in which case the Class would receive no recovery after having prevailed on the claims at trial.

63. After careful review of all the evidence, Lead Plaintiff believes it is in his best interest and the best interests of the Class to settle the case against the Defendants.

IX. SETTLEMENT NEGOTIATIONS AND TERMS OF THE SETTLEMENT

64. Lead Counsel are actively engaged in complex federal civil litigation, particularly the litigation of securities class actions. Our experience in the field allowed us to identify the complex issues involved in this case and to formulate strategies to effectively prosecute them. We believe that our reputations as attorneys who will zealously carry a meritorious case through the trial and appellate levels as well as our demonstrated ability to vigorously develop the evidence in this case placed us in a strong position in settlement negotiations with the Defendants.

65. Lead Counsel were engaged in extensive discussions with Defendants that dealt with a myriad of issues. There were many phone conversations and three separate mediations that dealt with many complicated issues. Ultimately, after a period of negotiations that included concessions by each side, Lead Plaintiff decided that the best offer presented by CVT was satisfactory after considering all of the relevant factors.

66. Upon approval of the Stipulation by the Court and entry of a judgment that becomes a final judgment, and upon satisfaction of the other conditions to the settlement, the Settlement Fund
will pay for certain administrative expenses, including the cost of providing notice to the Class; the
cost of publishing the newspaper notice; payment of taxes assessed against the Settlement Fund;
costs associated with the processing of claims submitted; and, to the extent approved by the Court,
pay Lead Counsel’s fees and out-of-pocket expenses, and the time and expenses of the Lead
Plaintiff. The balance of the Settlement Fund (the “Net Settlement Fund”) will be distributed
according to the Plan of Allocation to Class Members who submit valid, timely Proof of Claim
forms.

X. THE SETTLEMENT IS IN THE BEST INTERESTS OF THE CLASS AND
WARRANTS APPROVAL

67. Lead Plaintiff believes he could well have prevailed on the merits of the case.
Defendants were just as adamant that Lead Plaintiff would fail. Having considered the foregoing,
evaluating Defendants’ defenses, it is the informed judgment of Lead Counsel, based upon all
proceedings to date and their extensive experience in litigating class actions under the federal
securities laws, that the proposed settlement of this matter before this Court is fair, reasonable, and
adequate, and in the best interests of the Class.

XI. THE PLAN OF ALLOCATION

68. Pursuant to the Stipulation and Order Preliminarily Approving Settlement and
Providing for Notice entered by this Court on December 18, 2006, and as set forth in the Notice of
Pendency and Proposed Settlement of Class Action (the “Notice”), all Class Members who wish to
participate in the distribution of the Net Settlement Fund must submit a valid Proof of Claim form
postmarked by April 10, 2007.

69. If approved, the Plan of Allocation will govern how the proceeds of the Net
Settlement Fund will be distributed among Class Members who submit timely, valid Proof of Claim
forms.

70. The proposed Plan of Allocation was formulated after consultation with Lead
Plaintiff’s materiality and damages consultants in order to calculate a fair way to divide the Net
Settlement Fund for distribution among Class Members which was consistent with Lead Plaintiff’s
theory of damages. The proposed Plan of Allocation attempts to eliminate the effects of market
forces unrelated to the alleged misrepresentations and omissions. Thus, the proposed Plan of Allocation is designed to fairly and rationally allocate the proceeds of this settlement among Class Members.

71. The Net Settlement Fund will be distributed to Class Members who submit valid, timely Proof of Claim forms (“Authorized Claimants”) under the Plan of Allocation described below. The Plan of Allocation provides that Class Members will be eligible to participate in the distribution of the Net Settlement Fund only if a Class Member has a net loss on all transactions in CVT securities. Each Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each Authorized Claimant’s claim bears to the total of the claims of all Authorized Claimants.

72. A claim will be calculated as follows:

**Common Stock**

The allocation for common stock is based upon the following per share inflation amounts:

<table>
<thead>
<tr>
<th>Dates</th>
<th>Per Share Inflation</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 30, 2002 to May 13, 2003</td>
<td>$ 5.98</td>
</tr>
<tr>
<td>May 14, 2003</td>
<td>$ 7.14</td>
</tr>
<tr>
<td>May 15, 2003 to July 10, 2003</td>
<td>$ 8.62</td>
</tr>
<tr>
<td>July 11, 2003 to August 1, 2003</td>
<td>$10.60</td>
</tr>
<tr>
<td>August 4, 2003 to October 22, 2003</td>
<td>$ 3.95</td>
</tr>
<tr>
<td>October 23, 2003 to October 30, 2003</td>
<td>$ 8.10</td>
</tr>
<tr>
<td>October 31, 2003 to December 5, 2003</td>
<td>$ 3.17</td>
</tr>
</tbody>
</table>

(a) For shares of CV Therapeutics common stock **purchased on December 30, 2002 through December 5, 2003**, and

(i) sold on or before December 5, 2003, the claim per share is the difference, if any, between the per share inflation amount on the date of purchase less the per share inflation amount on the date of sale.

(ii) held at the close of trading on December 5, 2003, the claim per share is the per share inflation amount on the date of purchase as shown above.
4.75% Notes Due March 7, 2007 (“4.75% Notes”)

(a) For 4.75% Notes purchased on December 30, 2002 through December 5, 2003, and

(i) sold on or before December 5, 2003, the claim per 4.75% Note is the difference between the purchase price per 4.75% Note less the sales price per 4.75% Note.

(ii) held at the close of trading on December 5, 2003, the claim per 4.75% Note is the purchase price per 4.75% Note less $880.00 (closing price on December 8, 2003).

2.0% Notes Due May 16, 2023 (“2.0% Notes”)

(a) For 2.0% Notes purchased on December 30, 2002 through December 5, 2003, and

(i) sold on or before December 5, 2003, the claim per 2.0% Note is the difference between the purchase price per 2.0% Note less the sales price per 2.0% Note.

(ii) held at the close of trading on December 5, 2003, the claim per 2.0% Note is the purchase price per 2.0% Note less $745.00 (closing price on December 8, 2003).

Call Options

(a) For Call Options on CV Therapeutics common stock purchased between December 30, 2002 and December 5, 2003, and

(i) owned at the close of trading on one of the following dates: August 3, 2003, October 30, 2003 or December 7, 2003, the claim per Call Option is the difference between the price paid for the Call Option less the proceeds received upon the settlement of the Call Option contract;

(ii) not owned at the close of trading on one of the following dates: August 3, 2003, October 30, 2003 or December 7, 2003, the claim per Call Option is $0.

(b) For Call Options on CV Therapeutics common stock written between December 30, 2002 and December 5, 2003, and

(i) owned at the close of trading on one of the following dates: May 13, 2003, May 14, 2003, July 10, 2003, October 22, 2003, or December 9, 2003, the claim per Call
Option is the difference between the price paid for the Call Option less the proceeds received upon the settlement of the Call Option contract;

(ii) not owned at the close of trading on one of the following dates: May 13, 2003, May 14, 2003, July 10, 2003, October 22, 2003, or December 9, 2003, the claim per Call Option is $0.

**Put Options**

(a) For Put Options on CV Therapeutics common stock written between December 30, 2002 and December 5, 2003, and

(i) owned at the close of trading on one of the following dates: August 3, 2003, October 30, 2003 or December 7, 2003, the claim per Put Option is the difference between the amount paid upon settlement of the Put Option contract less the initial proceeds received upon the sale of the Put Option contract.

(ii) not owned at the close of trading on one of the following dates: August 3, 2003, October 30, 2003 or December 7, 2003, the claim per Put Option is $0.

(b) For Put Options on CV Therapeutics common stock that were purchased between December 30, 2002 and December 5, 2003, and

(i) owned at the close of trading on one of the following dates: May 13, 2003, May 14, 2003, July 10, 2003, October 22, 2003, or December 9, 2003, the claim per Put Option is the difference between the amount paid upon settlement of the Put Option contract less the initial proceeds received upon the sale of the Put Option contract.

(ii) not owned at the close of trading on one of the following dates: May 13, 2003, May 14, 2003, July 10, 2003, October 22, 2003, or December 9, 2003, the claim per Put Option is $0.

If an option was exercised for CV Therapeutics common stock, the amount paid, or proceeds received, upon the settlement of the option contract equals the intrinsic value of the option using CV Therapeutics common stock’s closing price on the date the option was exercised. The combined recovery for all claims for Call Options, Put Options, 2.0% Notes and 4.75% Notes shall not exceed 5% of the Net Settlement Fund.
XII. LEAD COUNSEL’S APPLICATION FOR ATTORNEYS’ FEES AND EXPENSES IS REASONABLE

A. A Reasonable Percentage of the Fund Recovered Is the Appropriate Method to Use in Awarding Attorneys’ Fees in Common Fund Cases

73. For our extensive efforts on behalf of the Class, Lead Counsel are applying for compensation from the Settlement Fund on a percentage basis. The percentage method is the appropriate method of fee recovery because, among other things, it aligns the lawyers’ interest in being paid a fair fee with the interest of the class in achieving the maximum recovery in the shortest amount of time required under the circumstances.

B. Consideration of Relevant Factors Justify a Fee Award of 30% of the Settlement Fund in this Case

74. Lead Counsel seek a fee award of 30% from the fund which they created and submit that such an award is reasonable and appropriate under the circumstances. Numerous factors are present here which justify this Court’s award of this fee.

1. The Support of the Lead Plaintiff/Class Representative

75. First and foremost, as indicated in the declaration of the Lead Plaintiff submitted concurrently herewith in support of the settlement, the Lead Plaintiff supports the fee requested. In the post-PSLRA era, the support of the lead plaintiff is a significant consideration in setting a fair fee.

2. The Excellent Settlement Achieved

76. The $13,350,000 cash settlement here is a significant settlement. This favorable settlement was achieved as a result of very extensive and creative prosecutorial and investigative efforts, contentious and complicated motions practice, and arduous settlement negotiations. As a result of this settlement, thousands of Class Members will benefit and receive significant compensation for their losses and avoid the very substantial risk of no recovery in the absence of a settlement.

3. Reaction by Class Members to the Settlement and Requested Fee

77. The notice of settlement and the requested fee has been sent to almost 20,000 Class Members describing the terms of the settlement and the fee and expense request and Class Members’
right to object. At the time of this filing, no objections to any of the relief requested have been received.

4. The Risks as to Both Liability and Damages

78. As discussed in greater detail above, this case had risk factors concerning liability, causation and damages. Due in part to the burden of proving the Defendants’ scienter, Lead Plaintiff’s success was by no means assured. Defendants also disputed Lead Plaintiff’s calculation of damages and strenuously contended that even if liability existed, the amount of inflation in CVT’s stock price, if any, during the relevant period was substantially lower than Lead Plaintiff alleged.

5. The Diligent Prosecution of this Case

79. The fee is also warranted in light of the extensive efforts on the part of Lead Counsel, as outlined above, that were required to produce this settlement. Lead Counsel spent approximately 11,646 hours of time on the case, inter alia, conducting formal and informal discovery, reviewing and analyzing documents and taking depositions, mastering the relevant facts and science relating to the Ranexa NDA, drafting complaints and comprehensive memoranda of law concerning issues in connection with the motions to dismiss, motion for class certification, and discovery motions, conducting discovery conferences, attending Court hearings, formulating strategy, all in order to make effective arguments on the merits and to conduct meaningful settlement discussions. The resulting lodestar is $4,168,493.00.

6. The Complexity of this Litigation Factual and Legal Questions

80. Courts have recognized that the novelty and difficulty of the issues in a case are significant factors to be considered in making a fee award. As demonstrated by the discussion above of the contested issues in the Litigation, had this settlement not been reached, the complex factual and legal questions at issue would continue to be the subject of substantial analysis and dispute. Numerous complex issues would be involved in proving liability, including whether Defendants’ statements were false, whether the statements were material, whether Defendants acted with scienter, whether the alleged false statements and omissions were the legal cause of Class damages, whether CVT securities traded at artificially inflated prices, and the amount of any damages.
7. The Contingent Nature of the Case and the Financial Burden Carried by Lead Counsel

81. A determination of a fair fee must include consideration of the contingent nature of the fee, the financial burden carried by plaintiff's counsel and the difficulties which were overcome in obtaining the settlement.

82. This Litigation was prosecuted by Lead Counsel on an “at-risk” contingent fee basis. Lead Counsel committed approximately 11,646 hours of attorney and para-professional time and incurred $437,386.84 in expenses in the prosecution of the Litigation, and fully assumed the risk of an unsuccessful result. Thus, Lead Counsel should be fairly compensated for their efforts. Lead Counsel have received no compensation for their services during the course of this Litigation and have incurred very significant expenses in litigating for the benefit of the Class. Any fee award or expense reimbursement to Lead Counsel has always been at risk and completely contingent on the result achieved and on this Court’s exercise of its discretion in making any award. Under these circumstances, it follows that we are entitled to the award of a reasonable percentage fee based on the benefit conferred and the common fund obtained. Under all of the circumstances present here, a fee of 30% of the Settlement Fund plus expenses is fair and reasonable.

XIII. CONCLUSION

83. For all of the foregoing reasons, Lead Counsel respectfully request the Court to approve the settlement, the Plan of Allocation, the fee and expense application, and the time and expenses of the Lead Plaintiff as requested.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed this 28th day of February, 2007 at San Francisco, California.

JEFF D. FRIEDMAN

DECLARATION OF JEFF D. FRIEDMAN IN SUPPORT OF FINAL APPROVAL OF SETTLEMENT, PLAN OF ALLOCATION AND FEES AND EXPENSES - C-03-3709-SI

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CERTIFICATE OF SERVICE

I hereby certify that on March 2, 2007, 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.lerachlaw.com/.

/s/ Joy Ann Bull
JOY ANN BULL

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RUDMAN & ROBBINS LLP
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Telephone:  619/231-1058
619/231-7423 (fax)

E-mail: Joyb@lerachlaw.com
Mailing Information for a Case 3:03-cv-03709-SI

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Manual Notice List

The following is the list of attorneys who are not on the list to receive e-mail notices for this case (who therefore require manual noticing). You may wish to use your mouse to select and copy this list into your word processing program in order to create notices or labels for these recipients.

- (No manual recipients)