

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS

IN RE NORTHFIELD LABORATORIES, INC.
SECURITIES LITIGATION

Case No. 06-CV-1493 (GMM)
EXHIBIT A-1
ECF Case

NOTICE OF PENDENCY AND SETTLEMENT OF CLASS ACTION

If you purchased or otherwise acquired the common stock ("Stock") of Northfield Laboratories, Inc. ("Northfield" or the "Company") during the period from August 16, 2004 through and including March 20, 2006, you could get a payment from a class action settlement (the "Settlement").

Under law, a federal court has authorized this notice.

- If approved by the Court, the settlement will provide \$1,500,000, plus interest (the "Settlement Amount"), to pay claims of investors who purchased Northfield Stock during the period from August 16, 2004 through and including March 20, 2006 (the "Class Period").
- The Settlement represents an average recovery of \$0.054 per share of Northfield Stock for the 27.770 million shares outstanding as of March 2006, the end of the Class Period. A share may have been traded more than once during the Class Period. This estimate solely reflects the average recovery per outstanding share of Northfield Stock. The indicated average recovery per share will be the total average recovery for all purchasers of that share. This is not an estimate of the actual recovery per share you should expect. Your actual recovery will depend on the aggregate losses of all Class Members, the date(s) you purchased and sold Northfield Stock, and the total number and amount of claims filed.
- Attorneys for the Lead Plaintiff ("Class Counsel") intend to ask the Court to award them fees of \$185,000 or twelve percent (12.3%) of the Settlement Amount, reimbursement of litigation expenses of \$520,000, and an award to the Lead Plaintiff not to exceed \$10,000. Collectively, the attorneys' fees and expenses are estimated to average \$0.025 per share of Northfield Stock. If approved by the Court, these amounts will be paid from the Settlement Fund.
- The approximate recovery, after deduction of attorneys' fees and expenses approved by the Court, is an average of \$0.028 per share of Northfield Stock. This estimate is based on the assumptions set forth in the preceding paragraph. Your actual recovery, if any, will vary depending on your purchase price and sales price, and the number and amount of claims filed.
- The Settlement resolves the lawsuit concerning whether Northfield and its officers and directors made false and misleading statements, in violation of federal securities laws, based upon the allegations set forth in the Consolidated Second Amended Complaint, including that: (1) Northfield allegedly concealed that it had terminated or closed its October 2000 trial of Acute Normovelemic Hemodilution for Northfield's blood-substitute PolyHeme because of adverse events; (2) Northfield allegedly knew or should have known that use of PolyHeme had adverse effects; and (3) Northfield allegedly concealed that use of PolyHeme had adverse effects. Defendants Northfield, Steven A. Gould, M.D. ("Gould"), and Richard E. DeWoskin ("DeWoskin") deny all allegations of misconduct.
- Your legal rights will be affected whether you act or do not act. If you do not act, you may permanently forfeit your right to recover on this claim. Therefore, you should read this notice carefully.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

SUBMIT A CLAIM FORM NO LATER THAN MAY 1, 2012	The only way to get a payment.
EXCLUDE YOURSELF NO LATER THAN MAY 1, 2012	Get no payment. This is the only option that allows you to be part of any other lawsuit against Defendants about the legal claims in this case.
OBJECT NO LATER THAN MAY 8, 2012	Write to the Court about why you do not like the settlement.
GO TO A HEARING ON JUNE 26, 2012	Speak in Court about the fairness of the settlement.
DO NOTHING	Get no payment. Give up rights.

INQUIRIES

Please do not contact the Court regarding this notice. All inquiries concerning this Notice, the Proof of Claim form, or any other questions by Class members should be directed to:

Northfield Laboratories, Inc. Litigation
c/o Valley Forge Admin. Services, Inc.
P.O. Box 220
Villanova, PA, 19085
(877) 965-3300
info@valleyforgeadmin.com

or

THE ROSEN LAW FIRM, P.A.
275 Madison Avenue, 34th Floor
New York, NY 10016
Tel.: (212) 686-1060
Fax: (212) 202-3827
info@rosenlegal.com

COMMON QUESTIONS AND ANSWERS CONCERNING THE SETTLEMENT

1. Why did I get this Notice?

You or someone in your family may have acquired Northfield Stock during the Class Period.

2. What is this lawsuit about?

The case is known as *In re Northfield Laboratories, Inc. Securities Litigation*, Case No. 06-CV-1493 (GMM) (the "Litigation"), and the Court in charge of the case is the United States District Court for the Northern District of Illinois.

The Class Action involves whether Defendants violated the federal securities laws because the Company allegedly made false and misleading statements to the investing public as set out in the complaint, including that: (1) Northfield allegedly concealed that it had terminated or closed its October 2000 trial of Acute Normovelemic Hemodilution for Northfield's blood-substitute PolyHeme because of adverse events; (2) Northfield allegedly knew or should have known that use of PolyHeme had adverse effects; and (3) Northfield allegedly concealed that use of PolyHeme had adverse effects. The Settling Defendants deny they did anything wrong. The Settlement resolves all of the claims in the Class Action.

3. Why is this a class action?

In a class action, one or more persons and/or entities, called Lead Plaintiffs, sue on behalf of all persons and/or entities who have similar claims. All of these persons and/or entities are referred to collectively as a Class, and these individual persons and/or entities are known as Class Members. One court resolves all of the issues for all Class Members, except for those Class Members who exclude themselves from the Class.

4. Why is there a Settlement?

Lead Plaintiff and Settling Defendants do not agree regarding the merits of Lead Plaintiff's allegations with respect to liability or the average amount of damages per share that would be recoverable if Lead Plaintiff were to prevail at trial on each claim. The issues on which the Lead Plaintiff and Settling Defendants disagree include: (1) whether the Defendants made false and misleading statements; (2) whether the Defendants made these statements with the intent to defraud the investing public; (3) whether the statements were the cause of the Class Members' alleged damages; and (4) the amount of damages, if any, suffered by the Class Members.

This matter has not gone to trial and the Court has not decided in favor of either Lead Plaintiff or Defendants. Instead, Lead Plaintiffs and Settling Defendants have agreed to settle the Class Action. The Lead Plaintiff and Class Counsel believe the settlement is best for all Class Members because of the risks associated with continued litigation and the nature of the defenses raised by the Settling Defendants. Even if Plaintiffs win at trial, and also withstand Defendants' inevitable challenge on appeal, Plaintiffs might not be able to collect some, or all, of the judgment.

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

To be a Class Member, you must have purchased or otherwise acquired Northfield Stock during the period from August 16, 2004 through and including March 20, 2006

6. Are there exceptions to being included?

Yes. Excluded from the Class are Defendants, and all former officers and directors of Northfield, and the members of such excluded persons' immediate families, legal representatives, heirs, predecessors, successors, and assigns, and any entity in which any excluded person has or had a controlling interest, and any persons who have separately filed actions against one or more of Defendants, based in whole or in part on any claim arising out of or relating to any of the alleged acts, omissions, misrepresentations, facts, events, matters, transactions, or occurrences referred to in the Litigation or otherwise alleged, asserted, or contended in the Litigation. Also, if you exclude yourself from the Class, as described below, you are not a part of the Class.

7. What does the Settlement provide?

a. What is the Settlement Fund?

The proposed Settlement calls for Defendants to create a Settlement Fund (the "Settlement Fund") in the amount of \$1,500,000. The Settlement is subject to Court approval. Also, subject to the Court's approval, a portion of the Settlement Fund will be used to pay Lead Plaintiff's attorneys' fees and reasonable litigation expenses and any award to Lead Plaintiff. A portion of the Settlement Fund also will be used to pay taxes due on interest earned by the Settlement Fund, if necessary, and any notice and claims administration expenses permitted by the Court. After the foregoing deductions from the Settlement Fund have been made, the amount remaining (the "Net Settlement Fund") will be distributed to Class Members who submit valid claims.

b. What can you expect to receive under the proposed Settlement?

Your share of the Net Settlement Fund will or may depend on: (i) the number of claims filed; (ii) the dates you purchased and sold Northfield Stock; (iii) the prices of your purchases and sales; (iv) the amount of administrative costs, including the costs of notice; and (v) the amount awarded by the Court to Lead Plaintiff and Class Counsel for attorneys' fees, costs, and expenses.

The compensable loss per share ("Recognized Loss") of each Authorized Claimant shall be calculated according to the following formula:

1. For shares purchased and sold between August 16, 2004 and January 6, 2006, inclusive, Recognized Loss is zero.
2. For shares purchased between August 16, 2004 and March 20, 2006, inclusive, and sold between January 6, 2006 and March 20, 2006, Recognized Loss per share is the price paid less the price received.
3. For shares purchased between August 16, 2004 and March 20, 2006, inclusive, and sold or held after March 20, 2006, Recognized Loss per share is the lesser of:
 - A. The price paid less the price received.
 - B. The price paid less \$9.67.

c. Are there any further limitations on the amount I may receive?

- i) To the extent there are sufficient funds in the Net Settlement Fund, each Class Member with a Recognized Loss that satisfies the requirements approved by the Court ("Authorized Claimant") will receive an amount equal to the Authorized Claimant's Recognized Loss described above. If, however, the amount in the Net Settlement Fund is not sufficient to permit payment of the total Recognized Loss of each Authorized Claimant, then each Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each Authorized Claimant's Recognized Loss bears to the total of the Recognized Losses of all Authorized Claimants.

- ii) For Class members who conducted multiple transactions in Northfield Stock during the Class Period, the earliest subsequent sale shall be matched first against those shares in the Claimant's opening position on the first day of the Class Period, and then matched chronologically thereafter against each purchase made during the Class Period.
- iii) Transactions during the Class Period resulting in a gain shall be netted against the Class Members transactions resulting in a loss to arrive at the Recognized Loss.
- iv) Any Class members whose collective transactions in Northfield Stock during the Class Period resulted in a net gain shall not be entitled to share in the Net Settlement Fund.
- v) The purchase and sales prices exclude any brokerage commissions, transfer taxes or other fees.
- vi) The covering purchase of a short sale is not an eligible purchase. Gifts and transfers are not eligible purchases.

8. How can I get a payment?

To qualify for a payment, you must send in a form entitled "Proof of Claim and Release" form. This claim form is attached to this Notice. You may also obtain a claim form on the Internet at www.rosenlegal.com. Read the instructions carefully, fill out the form, sign it in the location indicated, and mail the claim form together with all documentation requested in the form, postmarked no later than May 1, 2012, to:

Northfield Laboratories, Inc. Litigation
c/o Valley Forge Admin. Services, Inc.
P.O. Box 220
Villanova, PA, 19085

The Claims Administrator will process your claim and determine whether you are an "Authorized Claimant."

9. What am I giving up to get a payment or stay in the Class?

Unless you exclude yourself, you will remain in the Class. That means that if the Settlement is approved, you and all Class Members will release (agreeing never to sue, continue to sue, or be part of any other lawsuit) all claims against Defendants, any of their current, former, or future parents, subsidiaries, affiliates, partners, joint venturers, officers, directors, principals, shareholders, members, agents (acting in their capacity as agents), employees, attorneys, insurers, reinsurers, advisors, accountants, associates, and/or any other individual or entity in which any Defendant has a controlling interest or which is related to or affiliated with any of the Defendants, and the current, former, and future legal representatives, heirs, successors in interest, or assigns of the Defendants ("Released Parties") in connection with your acquisition of Northfield Stock during the Class Period, except that you do not release the Released Parties from any claim or action to enforce the Settlement. It also means that all of the Court's orders will apply to you and legally bind you. If you sign the claim form, you are agreeing to a "Release of Claims," which will bar you from ever filing a lawsuit against any Released Party to recover losses from the acquisition or sale of Northfield Stock during the Class Period, except to enforce the Settlement. That means you will accept a share in the Net Settlement Fund as sole compensation for any losses you have suffered in the acquisition and sale of Northfield Stock during the Class Period.

10. How do I get out of the Settlement?

If you do not want to receive a payment from this Settlement, and you want to keep any right you may have to sue or continue to sue Defendants on your own based on the legal claims raised in this Class Action, then you must take steps to get out of the Settlement. This is called excluding yourself from—or "opting out" of—the Settlement. To exclude yourself from the Settlement, you must mail a letter stating you want to be excluded as a Class Member from *In re Northfield Laboratories, Inc. Litigation*, Case No. 06-CV-1493 (GMM). Be sure to include your name, address, telephone number and your signature, along with an accurate list of all of your purchases and sales of Northfield Stock. You must mail your exclusion request, postmarked no later than May 1, 2012, to:

Northfield Laboratories, Inc. Litigation
c/o Valley Forge Admin. Services, Inc.
P.O. Box 220
Villanova, PA, 19085

You cannot exclude yourself by telephone or by e-mail. If you ask to be excluded, you will not receive a settlement payment, and you cannot object to the Settlement. If you ask to be excluded, you will not be legally bound by anything that happens in this Class Action.

11. If I do not exclude myself, can I sue Defendants for the same thing later?

No. Unless you exclude yourself, you give up any right to sue Defendants for the claims that this Settlement resolves. If you have a pending lawsuit, speak to your lawyer in that case immediately, since you may have to exclude yourself from this Class to continue your own lawsuit.

12. Do I have a lawyer in this case?

The Court appointed The Rosen Law Firm, P.A. to represent you and the other Class Members. These lawyers are called Lead Plaintiff's Counsel or Class Counsel. If you want to be represented by your own lawyer, you may hire one at your own expense.

13. How will the lawyers be paid?

Class Counsel have expended considerable time litigating this action on a contingent fee basis, and have paid for the expenses of the litigation themselves and have not been paid attorneys' fees in advance of this Settlement. Class Counsel have done so with the expectation that if they are successful in recovering money for the Class, they will receive attorneys' fees and be reimbursed for their litigation expenses from the Settlement Fund, as is customary in this type of litigation. Class Counsel will not receive attorneys' fees or be reimbursed for their litigation expenses except from the Settlement Fund. Therefore, Class Counsel will file a motion asking the Court at the Settlement Hearing to make an award of attorneys' fees in an amount not to exceed \$185,000, for reimbursement of reasonable litigation expenses not to exceed \$520,000, and an award to the Lead Plaintiff in an amount not to exceed \$10,000. The Court may award less than these amounts. Any amounts awarded by the Court will come out of the Settlement Fund.

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

You can tell the Court you do not agree with the Settlement, any part of the Settlement, or Class Counsel's motion for attorneys' fees, and that you think the Court should not approve the Settlement, by mailing a letter stating that you object to the Settlement in the matter of *In re Northfield Laboratories, Inc. Litigation*, Case No. 06-CV-1493. Be sure to include your name, address, telephone number, your signature, a list of your purchases and sales of Northfield Stock in order to show your membership in the Class, and all of the reasons you object to the Settlement. Be sure to mail the objections to the four different places listed below, postmarked no later than May 8, 2012, so the Court will consider your views:

<p>Clerk of the Court Northern District of Illinois 219 South Dearborn Street Chicago, IL 60604</p>	<p>Laurence M. Rosen, Esq. THE ROSEN LAW FIRM, P.A. 275 Madison Avenue 34th Floor New York, NY 10016 Tel.: (212) 686-1060 Fax: (212) 202-3827 <i>Lead Counsel</i></p>	<p>Ronald L. Marmer, Esq. JENNER & BLOCK LLP 353 N. Clark Street Suite 4200 Chicago, IL 60654 312-222-9350 <i>Counsel for Steven A. Gould MD and Walker Nell Partners, Inc. as Liquidation Trustee for the Liquidation Trust of Northfield Laboratories, Inc.</i></p>	<p>David C. Bohan, Esq. KATTEN MUCHIN ROSENMAN LLP 525 West Monroe Street Chicago, IL 60661 312-902-5200 <i>Counsel for Defendant Richard E. DeWoskin</i></p>
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15. What is the difference between objecting and requesting exclusion?

Objecting is simply telling the Court you do not like something about the Settlement. You can object only if you stay in the Class. Requesting exclusion is telling the Court you do not want to be part of the Class and Settlement. If you exclude yourself, you cannot object to the Settlement because it no longer concerns you. If you stay in the Class and object, but your objection is overruled, you will not be allowed a second opportunity to exclude yourself.

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

The Court will hold a Settlement Hearing on June 26, 2012, at 2:00 p.m., at the United States District Court for the Northern District of Illinois, 219 South Dearborn Street, Chicago, IL 60604.

At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate and whether to approve the Settlement. If there are objections, the Court will consider them, and the Court will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay Class Counsel for attorneys' fees and expenses.

17. Do I have to come to the hearing?

No. Class Counsel will answer any questions the Court may have. However, you are welcome to attend at your own expense. If you send an objection, you do not have to come to Court to talk about it. As long as you mail your written objection on time, the Court will consider it.

18. What happens if I do nothing at all?

If you do nothing, you will not receive a payment from the Settlement. However, unless you exclude yourself, you will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendants about the claims made in this case ever again.

DATED: January 31, 2012.

BY ORDER OF THE UNITED STATES
DISTRICT COURT FOR THE
NORTHERN DISTRICT OF ILLINOIS