

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

IN RE CONNETICS
SECURITIES LITIGATION.

Case No. C 07-02940 SI

PROOF OF CLAIM FORM

GENERAL INSTRUCTIONS

1. To recover as a member of the Class based on your claims in the action entitled *In re Connetics Securities Litigation*, Case No. C 07-02940 SI (the "Litigation"), you must complete and, on page 8 hereof, sign this Proof of Claim Form. If you fail to timely file a properly addressed (as set forth in paragraph 3 below) Proof of Claim Form, your claim may be rejected and you may be precluded from any recovery from the Settlement Fund created in connection with the proposed settlement of the Litigation.
2. Submission of this Proof of Claim Form, however, does not assure that you will share in the proceeds of the settlement of the Litigation.
3. **YOU MUST MAIL YOUR COMPLETED AND SIGNED PROOF OF CLAIM FORM POSTMARKED ON OR BEFORE NOVEMBER 30, 2009, ADDRESSED AS FOLLOWS:**

IN RE CONNETICS SECURITIES LITIGATION
CLAIMS ADMINISTRATOR
C/O A.B. DATA, LTD.
PO BOX 170500
MILWAUKEE, WI 53217-8042

If you are NOT a member of the Class (as defined below and in the Notice Of Pendency Of Class Action And Proposed Settlement, Final Approval Hearing, And Motion For Attorneys' Fees And Reimbursement Of Litigation Expenses ("Notice")), **DO NOT** submit a Proof of Claim Form.

4. If you are a member of the Class and you did not timely request exclusion in connection with the proposed settlement, you are bound by the terms of any judgment entered in the Litigation, including the releases provided therein, **WHETHER OR NOT YOU SUBMIT A PROOF OF CLAIM FORM.**

CLAIMANT IDENTIFICATION

If you purchased or acquired Connetics securities, and held documents evidencing these transactions (i.e., stock certificate(s), etc.) in your name, you are the beneficial purchaser as well as the record purchaser. If, however, you purchased or acquired Connetics securities and the transactional document(s) was/were registered in the name of a third party, such as a nominee or brokerage firm, you are the beneficial purchaser and the third party is the record purchaser.

Use Part I of the Proof of Claim Form – entitled "CLAIMANT IDENTIFICATION" – to identify each purchaser of record ("nominee"), if different from the beneficial purchaser of Connetics securities which forms the basis of this claim. **THIS CLAIM MUST BE FILED BY THE ACTUAL BENEFICIAL PURCHASER OR PURCHASERS, OR THE LEGAL REPRESENTATIVE OF SUCH PURCHASER OR PURCHASERS, OF THE CONNETICS SECURITY OR SECURITIES UPON WHICH THIS CLAIM IS BASED.**

All joint purchasers must sign this claim. Executors, administrators, guardians, conservators and trustees must complete and sign this claim on behalf of persons represented by them and their authority must accompany this claim and their titles or capacities must be stated. The Social Security (or taxpayer identification) number and telephone number of the beneficial owner may be used in verifying the claim. Failure to provide the foregoing information could delay verification of your claim or result in rejection of the claim.

CLAIM FORM

Use Part II of Proof of Claim and Release – entitled "TRANSACTIONS IN CONNETICS SECURITIES" – to supply all required details of your transaction(s) in Connetics securities. If you need more space or additional schedules, attach separate sheets giving all of the required information in substantially the same form. Sign and print or type your name and Social Security or taxpayer identification number on each additional sheet.

On the schedules, provide all of the requested information with respect to all of your purchases, acquisitions, and free receipts and all of your sales and free deliveries of Connetics securities which took place at any time during the Class Period, and including up through October 6, 2006, whether such transactions resulted in a profit or loss. Failure to report all requested information may result in the rejection of your claim.

List each transaction separately and in chronological order, by trade date, beginning with the earliest. You must accurately provide the month, day, and year of each transaction you list.

The date of covering a "short sale" is deemed to be the date of purchase of Connetics securities. The date of a "short sale" is deemed to be the date of sale of Connetics securities.

Copies of broker confirmations or other documentation of your transactions in Connetics securities should be attached to your claim. Failure to provide this documentation could delay verification of your claim or result in rejection of your claim.

Must Be Postmarked
No Later Than
November 30, 2009

In re Connetics Securities Litigation
Please Type or Print



For Official Use Only

PART I: CLAIMANT IDENTIFICATION

Last Name (Claimant)			First Name (Claimant)		
Last Name (Beneficial Owner If Different From Claimant)			First Name (Beneficial Owner)		
Last Name (Co-Beneficial Owner)			First Name (Co-Beneficial Owner)		
Company/Other Entity (If Claimant Is Not an Individual)					
Trustee/Nominee/Other					
Account Number (If Claimant Is Not an Individual)			Trust/Other Date (If Applicable)		
Address Line 1					
Address Line 2 (If Applicable)					
City		State	Zip Code		
Foreign Province		Foreign Zip Code	Foreign Country		
☐ Check Here to Use Alternate Address for Distribution					
(Optional) Distribution Address					
Distribution Address Line 1					
Distribution Address Line 2 (If Applicable)					
City		State	Zip Code		
Foreign Province		Foreign Zip Code	Foreign Country		
Telephone Number (Day)			Telephone Number (Night)		
() -			() -		
Taxpayer Identification Number		or	Social Security Number		
Email Address					

Check appropriate box (check only one box):

- | | | | |
|---|---------------------------------------|---------------------------------------|--|
| ☐ Individual/Sole Proprietor | ☐ Joint Owners | ☐ Pension Plan | ☐ IRA |
| ☐ Corporation | ☐ Partnership | ☐ Trust | ☐ Other (describe: _____) |

NOTE: Separate Proof of Claim Forms should be submitted for each separate legal entity (e.g., a claim from joint owners should not include separate transactions of just one of the joint owners; an individual should not combine his or her IRA transactions with transactions made solely in the individual's name). Conversely, a single Proof of Claim Form should be submitted on behalf of one legal entity including all transactions made by that entity no matter how many separate accounts that entity has (e.g., a corporation with multiple brokerage accounts should include all transactions in Connetics securities during the Class Period on one Proof of Claim Form, no matter how many accounts the transactions were made in).

NOTICE REGARDING ELECTRONIC FILES: Certain Claimants with large numbers of transactions may request, or may be requested, to submit information regarding their transactions in electronic files. All Claimants MUST submit a manually signed paper Proof of Claim Form listing all their transactions, whether or not they also submit electronic copies. If you wish to file your Claim electronically, you must contact the Claims Administrator at (800)-949-0194 or visit their website at www.abdataclassaction.com to obtain the required file layout. No electronic files will be considered to have been properly submitted unless the Claims Administrator issues to the Claimant a written acknowledgment of receipt and acceptance of electronically submitted data.

PART II: TRANSACTIONS IN CONNETICS SECURITIES

A. INITIAL COMMON STOCK HOLDINGS:

State the number of shares of Connetics common stock the Claimant owned at the close of trading on January 26, 2004 (if none, write "0"; if other than zero, documentation must be provided).

Proof enclosed?

☐ Y ☐ N

B. COMMON STOCK PURCHASES/ACQUISITIONS:

List all purchases, acquisitions, and free receipts of Connetics common stock made between January 27, 2004, and October 6, 2006, inclusive. (NOTE: If you acquired your Connetics common stock during this period other than by an open market purchase, please provide a complete description of the terms of the acquisition on a separate page.) Be sure to attach the required documentation.

IF NONE, CHECK HERE ☐

Trade date(s) List chronologically			Number of shares purchased or acquired	Purchase price per share (excluding taxes, commissions, etc.)	Proof of purchase enclosed
MM	DD	YYYY			
				\$	☐ Y
					☐ N
				\$	☐ Y
					☐ N
				\$	☐ Y
					☐ N
				\$	☐ Y
					☐ N

C. COMMON STOCK SALES:

List all sales and free deliveries of Connetics common stock made between January 27, 2004, and October 6, 2006, inclusive. Be sure to attach the required documentation.

IF NONE, CHECK HERE ☐

Trade date(s) List chronologically			Number of shares sold	Sale price per share (excluding taxes, commissions, etc.)	Proof of sale enclosed
MM	DD	YYYY			
				\$	☐ Y
					☐ N
				\$	☐ Y
					☐ N
				\$	☐ Y
					☐ N
				\$	☐ Y
					☐ N

D. UNSOLD COMMON STOCK HOLDINGS AT OCTOBER 6, 2006: State the number of shares of Connetics common stock the Claimant owned at the close of trading on October 6, 2006 (if none, write "0"; if other than zero, documentation must be provided).	Proof enclosed? ☐ Y ☐ N
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E. CONNETICS 2.25% CONVERTIBLE SENIOR NOTES DUE 5/30/2008 HOLDINGS: State the number of Connetics 2.25% Convertible Senior Notes Due 5/30/2008 the Claimant owned at the close of trading on January 26, 2004 (if none, write "0"; if other than zero, documentation must be provided).	Proof enclosed? ☐ Y ☐ N
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F. CONNETICS 2.25% CONVERTIBLE SENIOR NOTES DUE 5/30/2008 PURCHASES/ACQUISITIONS: List all purchases, acquisitions, and free receipts of Connetics 2.25% Convertible Senior Notes Due 5/30/2008 made between January 27, 2004, and October 6, 2006, inclusive. (NOTE: If you acquired such Notes during this period other than by an open market purchase, please provide a complete description of the terms of the acquisition on a separate page.). Be sure to attach the required documentation. IF NONE, CHECK HERE ☐				
Trade date(s) List chronologically	Number of notes purchased or acquired	Purchase price per note (excluding taxes, commissions, etc.)	Proof of purchase enclosed	
MM DD YYYY				
/ /		\$.	☐ Y ☐ N	
/ /		\$.	☐ Y ☐ N	
/ /		\$.	☐ Y ☐ N	
/ /		\$.	☐ Y ☐ N	
/ /		\$.	☐ Y ☐ N	

G. CONNETICS 2.25% CONVERTIBLE SENIOR NOTES DUE 5/30/2008 SALES: List all sales and free deliveries of Connetics 2.25% Convertible Senior Notes Due 5/30/2008 made between January 27, 2004, and October 6, 2006, inclusive. Be sure to attach the required documentation. IF NONE, CHECK HERE ☐				
Trade date(s) List chronologically	Number of notes sold	Sale price per note (excluding taxes, commissions, etc.)	Proof of sale enclosed	
MM DD YYYY				
/ /		\$.	☐ Y ☐ N	
/ /		\$.	☐ Y ☐ N	
/ /		\$.	☐ Y ☐ N	
/ /		\$.	☐ Y ☐ N	
/ /		\$.	☐ Y ☐ N	

H. UNSOLD CONNETICS 2.25% CONVERTIBLE SENIOR NOTES DUE 5/30/2008 HOLDINGS AT OCTOBER 6, 2006: State the number of Connetics 2.25% Convertible Senior Notes Due 5/30/2008 the Claimant owned at the close of trading on October 6, 2006 (if none, write "0"; if other than zero, documentation must be provided).	Proof enclosed? ☐ Y ☐ N
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I. CONNETICS 2.00% CONVERTIBLE SENIOR NOTES DUE 3/30/2015 PURCHASES/ACQUISITIONS:

List all purchases, acquisitions, and free receipts of Connetics 2.00% Convertible Senior Notes Due 3/30/2015 made between January 27, 2004, and October 6, 2006, inclusive. (NOTE: If you acquired such Notes during this period other than by an open market purchase, please provide a complete description of the terms of the acquisition on a separate page.). Be sure to attach the required documentation.

IF NONE, CHECK HERE ☐

Trade date(s) List chronologically			Number of notes purchased or acquired	Purchase price per note (excluding taxes, commissions, etc.)	Proof of purchase enclosed
MM	DD	YYYY			
				\$	☐ Y
					☐ N
				\$	☐ Y
					☐ N
				\$	☐ Y
					☐ N
				\$	☐ Y
					☐ N

J. CONNETICS 2.00% CONVERTIBLE SENIOR NOTES DUE 3/30/2015 SALES:

List all sales and free deliveries of Connetics 2.00% Convertible Senior Notes Due 3/30/2015 made between January 27, 2004, and October 6, 2006, inclusive. Be sure to attach the required documentation.

IF NONE, CHECK HERE ☐

Trade date(s) List chronologically			Number of notes sold	Sale price per note (excluding taxes, commissions, etc.)	Proof of sale enclosed
MM	DD	YYYY			
				\$	☐ Y
					☐ N
				\$	☐ Y
					☐ N
				\$	☐ Y
					☐ N
				\$	☐ Y
					☐ N

K. UNSOLD CONNETICS 2.00% CONVERTIBLE SENIOR NOTES DUE 3/30/2015 HOLDINGS AT OCTOBER 6, 2006:

Proof enclosed?

State the number of Connetics 2.00% Convertible Senior Notes Due 3/30/2015 the Claimant owned at the close of trading on October 6, 2006 (if none, write "0"; if other than zero, documentation must be provided).

☐ Y ☐ N

IF YOU NEED ADDITIONAL SPACE TO LIST YOUR TRANSACTIONS, PLEASE PHOTOCOPY THIS PAGE, WRITE YOUR NAME ON THE COPY AND CHECK THIS BOX ☐

IF YOU DO NOT CHECK THIS BOX THESE ADDITIONAL PAGES MAY NOT BE REVIEWED

PART III: RELEASE OF CLAIMS AND SIGNATURE**Definitions**

"Effective Date," as further defined in the Stipulation, means the date on which all of the following shall have occurred: (a) the Court has entered the Preliminary Approval Order; (b) payment has been made pursuant to paragraph 6 of the Stipulation; (c) the Court has approved the Settlement, following notice to the Class and a hearing; and (d) the Court has entered the Judgment, which has become Final.

"Judgment" means the judgment to be rendered by the Court substantially in the form attached to the Stipulation as Exhibit B.

"Defendants" means Connetics, Thomas G. Wiggans, Gregory Vontz, John L. Higgins, and Lincoln Krochmal.

"Dismissed Defendants" means Alexander J. Yaroshinsky and Victor E. Zak.

"Released Parties" means (i) Defendants; (ii) Dismissed Defendants; and (iii) each of Defendants' respective present or former officers, directors, agents, employees, attorneys, any auditor of the Company named as a defendant in any complaint filed in this Litigation, controlling shareholders, insurers, co-insurers, re-insurers, representatives, trustees, spouses, heirs, executors, administrators, predecessors, subsidiaries, divisions, joint ventures, parents and officers, directors and employees thereof; affiliates and officers, directors and employees thereof; subsidiaries and officers, directors and employees thereof; general and limited partners, principals, and successors and assigns.

“Settled Claims” means any and all claims and causes of action of every nature and description, whether known or Unknown, fixed or contingent, whether arising under federal, state, common or foreign law, that Lead Plaintiff or any other member of the Class (a) asserted in the Litigation or (b) could have asserted in any forum, that arise out of, are based upon or in any manner relate to the allegations, transactions, facts, matters or occurrences, statements, representations or omissions involved, set forth, or referred to in the Complaint that relate to the purchase or acquisition of the Company’s publicly traded securities during the Class Period or to the adequacy of any disclosures during the Class Period or that could have been asserted in the Litigation.

“Defendants’ Claims” means any and all claims and causes of action of every nature and description, whether known or Unknown, fixed or contingent, whether arising under federal, state, common or foreign law, that have been or could have been asserted in the Litigation or any forum by the Defendants and/or their Related Parties or any of them or the successors and assigns of any of them against the Lead Plaintiff, Class Members or their attorneys, which arise out of or relate in any way to the institution, prosecution, or settlement of the Litigation (except for claims to enforce the Settlement).

“Class” means the Class as certified by the Court’s Order filed May 12, 2009 (Dkt. No. 183), which is defined as all persons and entities who purchased or otherwise acquired the publicly traded securities of Connetics from January 27, 2004, through July 9, 2006, and who suffered damages as a result. Excluded from the Class are: (i) the Defendants and Dismissed Defendants; (ii) members of the family of each Individual Defendant or Dismissed Defendant; (iii) any person who was an officer or director of Connetics during the Class Period; (iv) any person who is or was named as a defendant in any U.S. Government or state criminal or civil proceeding relating to Connetics; (v) any firm, trust, corporation, officer, or other entity in which any Defendant or Dismissed Defendant has a controlling interest; and (vi) the legal representatives, agents, affiliates, heirs, successors-in-interest or assigns of any such excluded party. Also excluded from the Class are any persons who validly exclude themselves by filing a request for exclusion in accordance with the requirements set forth in the Notice.

“Unknown Claims” means any and all Settled Claims that any Lead Plaintiff or Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Parties, and any Defendants’ Claims that any Defendant or Related Party does not know or suspect to exist in his, her or its favor, which if known by him, her or it might have affected his, her or its decision(s) with respect to the Settlement. With respect to any and all Settled Claims and Defendants’ Claims, the parties stipulate and agree that, upon the Effective Date, the Lead Plaintiff and the Defendants shall expressly waive, and each Class Member and Related Party shall be deemed to have waived, and by operation of the Judgment shall have expressly waived, 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, that 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.

The Lead Plaintiff and Class Members may hereafter discover facts 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 Settled Claims, but each Lead Plaintiff shall expressly and each Class Member, upon the Effective Date, shall be deemed to have, and by operation of the Judgment shall have, fully, finally, and forever settled and released any and all Settled Claims, known or Unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Lead Plaintiff and the Defendants acknowledge, and Class Members and Related Parties by operation of law shall be deemed to have acknowledged, that the inclusion of “Unknown Claims” in the definition of Settled Claims and Defendants’ Claims was separately bargained for and was a key element of the Settlement.

The Release

I (We) understand and acknowledge that without further action by anyone, on and after the Effective Date, each Class Member, on behalf of themselves, their heirs, executors, administrators, predecessors, successors and assigns, for good and sufficient consideration, the receipt and adequacy of which are hereby acknowledged, shall be deemed to have, and by operation of law and of the Judgment shall have fully, finally, and forever released, relinquished, and discharged all Settled Claims (including Unknown Claims) against each and all of the Released Parties, whether or not a Proof of Claim Form is executed and delivered by, or on behalf of, such Class Member.

SIGNATURE AND CERTIFICATIONS

By signing and submitting this Proof of Claim Form, the Claimant(s) or the person(s) who represents the Claimant(s) certifies, as follows:

I (We) submit this Proof of Claim Form under the terms of the Stipulation and Agreement of Settlement described in the Notice. I also submit to the jurisdiction of the United States District Court for the Northern District of California, with respect to my claim as a Class Member and for purposes of enforcing the release set forth herein. I (We) further acknowledge that I am bound by and subject to the terms of any judgment that may be entered in the Litigation. I (We) agree to furnish additional information to the Claims Administrator to support this claim if requested to do so. I (We) have not submitted any other claim covering the same purchases or acquisitions of Connetics securities during the Class Period and know of no other person having done so on my behalf.

I (We) hereby acknowledge full and complete satisfaction of, and do hereby fully, finally and forever release, relinquish and discharge all Settled Claims (including Unknown Claims) against each and all the “Released Parties,” defined as Defendants; (ii) Dismissed Defendants; and (iii) each of their Related Parties (defined above).

1. that the Claimant(s) is a (are) Class Member(s), as defined herein and in the Notice;
2. that I (we) have not filed a request for exclusion from the Class and that I (we) do not know of any request for exclusion from the Class filed on my (our) behalf with respect to my (our) transactions in Connetics securities;

3. that I (we) own(ed) the Connetics securities identified in the Proof of Claim, or that, in signing and submitting this Proof of Claim, I (we) have the authority to act on behalf of the owner(s) thereof;
4. that Claimant(s) may be entitled to receive a distribution from the Net Settlement Fund;
5. that I (we) agree to furnish such additional information with respect to this Proof of Claim as the parties or the Court may require;
6. that I (we) waive trial by jury, to the extent it exists, and agree to the Court's summary disposition of the determination of the validity or amount of the claim made by this Proof of Claim;
7. that I (we) have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, any matter released pursuant to this release or any other part or portion thereof;
8. that I (we) have included information about all of my (our) transactions in Connetics securities which occurred during the Class Period, and up through October 6, 2006; and
9. that I (we) certify that I am (we are) not subject to backup withholding under the provisions of Section 3406(a)(1)(c) of the Internal Revenue Code.

NOTE: If you have been notified by the Internal Revenue Service that you are subject to backup withholding, please strike the language that you are not subject to backup withholding in the certification above. The Internal Revenue Service does not require your consent to any provision other than the certification required to avoid backup withholding.

I (We) declare, under penalty of perjury under the laws of the United States of America, that the statements made and answers given in this Proof of Claim are true and correct and that the documents submitted herewith are true and genuine.

Signature of Claimant	Print Name of Claimant	Date
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Signature of Joint Claimant, if any	Print Name of Joint Claimant	Date
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If Claimant is other than an individual, or is not the person completing this form, the following also must be provided:

Signature of Person Completing Form	Print Name of Person Completing Form	Date
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Capacity of Person Signing (e.g., Executor, President, Trustee, etc.)

REMINDER CHECKLIST

- Please sign the Certification Section of the Proof of Claim and Release form.
- If this Claim is being made on behalf of Joint Claimants, then both must sign.
- Please remember to attach supporting documents. **Do not use highlighter on the Proof of Claim Form or supporting documentation.**
- **DO NOT SEND ORIGINALS OF ANY SUPPORTING DOCUMENTS.**
- Keep a copy of your Proof of Claim and Release form and all documentation submitted for your records.
- The Claims Administrator will acknowledge receipt of your Proof of Claim and Release by mail, within 60 days. Your claim is not deemed filed until you receive an acknowledgment postcard. If you do not receive an acknowledgment postcard within 60 days, please call the Claims Administrator toll free at (800) 494-9209.
- If you move or change your name after submitting this Proof of Claim Form, please notify the Claims Administrator of the change in your name and/or address.

THIS PROOF OF CLAIM MUST BE POSTMARKED NO LATER THAN NOVEMBER 30, 2009, AND MUST BE MAILED TO:

IN RE CONNETICS SECURITIES LITIGATION
CLAIMS ADMINISTRATOR
C/O A.B. DATA, LTD.
PO BOX 170500
MILWAUKEE, WI 53217-8042

ACCURATE CLAIMS PROCESSING TAKES A SIGNIFICANT AMOUNT OF TIME. THANK YOU FOR YOUR PATIENCE.