

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

IN RE ABLE LABORATORIES
SECURITIES LITIGATION

Master File No.
05-CV-2681 (GEB) (MCA)

**NOTICE OF PENDENCY AND PROPOSED
SETTLEMENT OF CLASS ACTION AND FAIRNESS HEARING**

This Notice provides important information concerning the pendency and settlement (the "Settlement") of a class action lawsuit (the "Action") brought by Lead Plaintiffs Denver Employees' Retirement Plan and Deka International (Ireland) Limited (together, "Plaintiffs"), on behalf of themselves and the Class described herein, against certain former officers and directors of Able Laboratories, Inc. ("Able" or the "Company"), alleging violations of the federal securities laws.

***IF YOU PURCHASED OR OTHERWISE ACQUIRED SHARES OF PUBLICLY TRADED COMMON STOCK
OF ABLE LABORATORIES, INC. BETWEEN OCTOBER 30, 2002 AND MAY 18, 2005, INCLUSIVE,
YOU MAY BE ENTITLED TO RECEIVE MONEY FROM A CLASS ACTION SETTLEMENT.***

A Federal Court authorized this Notice. This is not a solicitation from a lawyer.

- The Settlement resolves a securities class action ("Action") brought by investors in Able, alleging that the price of Able's common stock was artificially inflated as a result of false statements and fraudulent conduct by certain former officers and directors of Able (the "Defendants") concerning the Company's ability to manufacture saleable generic drug products and its compliance with the requirements of the Food & Drug Administration ("FDA").
- The Settlement will provide a settlement fund of no less than \$9.15 million for the benefit of (i) persons (the "Class") who purchased or otherwise acquired shares of publicly traded Able common stock between October 30, 2002 and May 18, 2005, inclusive (the "Class Period"), and (ii) persons who purchased drug products manufactured by Able during the Class Period and who are members of the class in a separate consumer fraud class action (the "Consumer Class").
- Plaintiffs estimate that the average recovery to the Class under the Settlement will be \$0.075 per damaged share of Able stock, before deduction of fees and costs. Class members' actual recoveries may be more or less than the average, depending on factors such as whether and when they sold their shares.
- In accordance with their fee agreement with the Plaintiffs, the Plaintiffs' attorneys will request a fee of approximately 12% of the Settlement, plus reimbursement of approximately \$250,000 in costs that they advanced on behalf of the Class, for a total of approximately \$1.35 million out of the \$9.15 million settlement fund.
- After payment of fees and costs, the Settlement proceeds will be distributed to members of the Class and the Consumer Class who have submitted valid and timely Proof of Claim forms establishing their entitlement to share in the Settlement. No determination has been made yet of the amount to be distributed.
- The two sides disagree on the amount of money that could have been recovered if the Plaintiffs won at trial.
- The settlement was reached because it provides immediate benefits to the Class and avoids the costs and risks of continuing the lawsuit, including the significant risk that there would be insufficient funds available to pay a judgment after trial.
- **If you are a member of the Class and the Settlement is approved, your legal rights will be affected whether you act or do not act. Please read this notice carefully.**

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:

SUBMIT A CLAIM FORM (by June 30, 2010)	This is the only way to get a payment.
EXCLUDE YOURSELF (by May 19, 2010)	You will get no payment. This is the only option that allows you to ever be part of any other lawsuit against the Defendants and the other Released Parties about the Settled Claims.
OBJECT (by May 19, 2010)	If you do not exclude yourself but wish to object to any part of the Settlement, you may write to the Court about why you do not like the settlement.
ATTEND THE HEARING (on June 16, 2010, at 1:00 pm)	If you have submitted a written objection to the Settlement, you may (but do not have to) ask to speak in Court about your objection.
DO NOTHING	You will get no payment and you will give up your rights.

- Further information regarding the Settlement and this notice may be obtained by contacting Plaintiffs' Lead Counsel: Megan D. McIntyre, Esq., Grant & Eisenhofer P.A., 1201 North Market Street, Wilmington, DE 19801, telephone 302-622-7000; or Thomas A. Dubbs, Esq., Labaton Sucharow LLP, 140 Broadway, New York, NY 10005, toll-free telephone 800-321-0476.

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BASIC INFORMATION

1.	Why did I get this notice package?
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The Court authorized this Notice to be sent to you because you or someone in your family may have purchased or otherwise acquired shares of publicly traded common stock of Able Laboratories, Inc. between October 30, 2002 and May 18, 2005, inclusive.

If this description applies to you or someone in your family, you have a right to know about the proposed Settlement of this class action lawsuit, and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves the Settlement, and after objections and appeals are resolved, an administrator appointed by the Court will make the payments that the Settlement allows.

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

The Court in charge of this case is the U.S. District Court for the District of New Jersey, and the case is known as *In re Able Laboratories Securities Litigation*, Master File No. 05-CV-2681 (GEB) (MCA) (D.N.J.). The case and the Settlement were overseen by Chief Judge Garrett E. Brown, U.S. District Judge.

The people who filed the lawsuit are called Plaintiffs, and the persons being sued are called Defendants. The Defendants in this Action are Dhananjay G. Wadekar, Able's Chairman and Chief Executive Officer; Robert J. Mauro, Able's President and Chief Operating Officer; Shashikant C. Shah, Able's Vice President for Quality Control and Regulatory Affairs; Garth Boehm, Able's Senior Vice President and Chief Scientific Officer; and Iva Klemick, Able's Director of Regulatory Affairs. The Company itself, which went bankrupt on July 18, 2005, could not be sued because of the automatic stay of litigation under federal bankruptcy law.

2.	What is this lawsuit about?
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Able was a generic drug manufacturer based in Cranbury, New Jersey. Plaintiffs alleged that throughout the Class Period, Defendants falsely presented Able as a "turnaround" story reporting triple-digit increases in revenues and earnings. However, the "turnaround" allegedly was a fiction sustained through misrepresentations and non-disclosures concerning Able's compliance with federal rules and regulations governing the testing, approval, manufacture, labeling, storage, record-keeping, and quality control for generic drugs. Defendants allegedly made false and misleading statements proclaiming the purported success of Able's product line and increasing sales and profitability, while concealing from investors that the Company had obtained FDA approvals for its products by falsifying and manipulating test results and submitting incomplete and inaccurate reports to the FDA, and that the stability and strength of its products were not as represented. Once the truth was revealed to the public, the Company was forced to recall all of its drug products and shut down its operations, and the price of Able's stock plummeted.

The lawsuit seeks money damages against the Defendants for violations of Sections 10(b), 18, 20(a), and 20A of the Securities Exchange Act of 1934, for alleged material misstatements, fraudulent conduct, and insider trading. The Defendants deny that they did anything wrong.

3.	Why is this a class action?
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In a class action, one or more people (here, the Denver Employees' Retirement Plan and Deka International (Ireland) Ltd., which in this case are called the Plaintiffs), sue on behalf of people who have similar claims. All these people are a Class or Class Members. Bringing a case as a class action allows the adjudication of many claims that might be economically too small to bring as individual actions. One court resolves the claims of all Class Members at the same time, except for those who exclude themselves from the Class.

4. Why is there a settlement?

The Court did not decide in favor of Plaintiffs or Defendants. Instead, both sides agreed to a settlement. That way, they avoid the risks and cost of a trial, and the people affected will get compensation. The Settlement negotiations in this case were overseen by the presiding judge.

Plaintiffs and their attorneys (who have extensive experience in securities class action litigation) agreed to the Settlement after considering, among other things: (a) the cash benefits to Class Members; (b) Able's bankruptcy and dissolution, and the limited and rapidly shrinking pool of money available to fund a settlement or judgment; (c) the risk of less recovery or non-recovery owing to competing claims to the available pool of money by the Consumer Class and the Court-appointed bankruptcy trustee; (d) the uncertainty of being able to establish liability and prove recoverable damages at trial; (e) the risks, difficulties and delays inherent in complex litigation (including any appeals); (f) the desirability of providing certain relief to Class Members at this juncture and without further delay; and (g) Plaintiffs' belief that the Settlement is fair, reasonable, adequate and in the best interests of all Class Members. The Settlement, together with settlements that were reached simultaneously in two other actions against Able's former officers and directors, will effectively exhaust the available insurance proceeds, and as a result of Able's bankruptcy there are no other material sources from which Plaintiffs could recover significant damages on behalf of the Class.

The Defendants' principal reasons for entering into the Settlement are to bring to an end the expenses, burdens, risks, and uncertainties associated with continued litigation.

WHO IS IN THE SETTLEMENT

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

Everyone who fits this description may be a Class Member: **All persons or entities that purchased or otherwise acquired shares of publicly traded common stock of Able Laboratories, Inc. between October 30, 2002 and May 18, 2005, inclusive.** If you fit this description and none of the exceptions described in response to question 6 below apply, you are a Class Member and part of the Settlement.

6. Are there exceptions to being included?

Yes. You are not a Class Member if you are a Defendant in this Action; if you were a director or officer of Able during the Class Period; if you are an immediate family member of any Defendant or any other excluded individual; if you are Able or any of its subsidiaries or affiliates; if you are an entity in which any excluded person has a controlling interest; or if you are a legal representative, heir, successor, assign, or insurer of any excluded person.

Also, anyone who submits a valid and timely request for exclusion from the Class in accordance with the procedures set forth in question 14 is not a Class Member and cannot participate in the Settlement.

If you own shares of a mutual fund that purchased shares of Able stock during the Class Period, that alone does not make you a Class Member. You are a Class Member only if you **directly** purchased shares of Able stock during the Class Period. Check your investment records or contact your broker to see if you purchased Able stock during the Class Period.

If you **sold** Able stock during the Class Period, that alone does not make you a Class Member. You are a Class Member only if you **purchased** shares during the Class Period.

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

If you are still not sure whether you are included, you can ask for free help. You can call 1-866-405-2131 toll-free, send an e-mail to Ablelabsquestions@gardencitygroup.com, or write to Able Laboratories Securities Litigation, c/o The Garden City Group, Inc., P.O. Box 9584, Dublin, OH 43017-4884. Or you can fill out and return the Proof of Claim form described in question 11 to see if you qualify.

THE SETTLEMENT BENEFITS — WHAT YOU GET

8. What does the settlement provide?

In exchange for the dismissal of this Action and a separate consumer class action against former officers and directors of Able, *Elnora Kirtley and Hempel (USA) Inc. v. Dhananjay G. Wadekar, et al.*, No. 05-5383 (D.N.J.) (the "Consumer Action"), the Defendants have agreed to create a cash settlement fund for the benefit of the Class and the Consumer Class.

First, the Defendants will cause their insurers to pay nine million one hundred fifty thousand dollars (\$9,150,000.00) (the "Settlement Payment") into a settlement fund which, after deduction of various Court-approved fees and expenses, will be distributed among all Class Members and Consumer Class members who send in valid Proof of Claim forms establishing their entitlement to share in the Settlement. Plaintiffs believe the aggregate number and size of all claims submitted by members of the Consumer Class will be relatively small, and that Class Members in this Action will receive most of the net proceeds of the Settlement Payment.

Second, the Defendants will cause their insurers to set aside four million five hundred thousand dollars (\$4,500,000.00) to pay certain costs incurred by Able's former officers and directors. Twenty-five percent (25%) of the unspent portion of that set-aside, if any, will be paid into a settlement fund for the benefit of the Class (the "Reverter"). The Reverter, if there is one, will be distributed, after deduction of various Court-approved fees and expenses, solely among Class Members in this Action (and not the Consumer Action) who send in valid Proof of Claim forms.

9. How much will my payment be?

If you are entitled to a payment, your share of the fund will depend on how many Class Members and Consumer Class members send in valid Proof of Claim forms, the total Recognized Losses represented by those valid Proof of Claim forms, how many shares of Able stock you bought, how much you paid for them, when you bought them, whether or when you sold them, and if so for how much you sold them.

Plaintiffs estimate that there were 121,125,888 shares of Able common stock traded during the Class Period that may have been damaged. Plaintiffs estimate that the average recovery per damaged share of Able stock under the Settlement is \$0.075 before deduction of claims administration costs and Court-awarded attorneys' fees and expenses. A damaged share may have been traded more than once during the Class Period, and the indicated

average recovery would be the total for all purchasers of that share. This estimated average amount assumes that all Class Members will submit timely, valid claims. The number of Class Members who submit claims varies from case to case, and is usually less than 100%. If not all Class Members submit claims, your actual recovery could be more than the estimated average amount. Other factors that will affect whether you receive more or less than the estimated average amount include: when during the Class Period you purchased shares, the purchase price paid, whether those shares were sold during the Class Period, and, if sold, when they were sold and the amount received.

You can calculate your Recognized Loss in accordance with the formula shown below in the Plan of Allocation, beginning on page 7. It is unlikely that you will get a payment for all of your Recognized Loss. After all Class Members and members of the Consumer Class have sent in their Proof of Claim forms, the payment you get will be a proportion of the net settlement fund equal to your Recognized Loss divided by the total of everyone's Recognized Losses.

10. What is the potential outcome of the Action absent the Settlement?

The parties disagree about both liability and damages and do not agree on the average amount of damages per share that would be recoverable if Plaintiffs were to prevail on each claim asserted. The issues on which the parties disagree include: (a) whether the Defendants made any materially false and misleading statements to the public; (b) whether any such statements were made with the requisite level of intent under the federal securities laws; (c) whether the Defendants "controlled" Able for purposes of liability under the federal securities laws; (d) whether alleged non-speaking conduct by certain Defendants is actionable under the federal securities laws; and (e) the extent, if any, to which the Defendants' alleged misconduct caused harm to members of the Class. The Defendants deny that they are liable to the Plaintiffs or the Class and deny that the Plaintiffs or the Class have suffered any recoverable damages.

The Plaintiffs believe they have a strong case for liability and significant damages, but believe there is a substantial likelihood that the Class would be unable to collect on a substantial judgment if the case were to proceed to trial, given Able's bankruptcy and the limited resources and insurance coverage of the Defendants, and the continued use of those resources to fund the defense of not only this Action but also the Consumer Action, an action brought by Able's trustee in bankruptcy, and various criminal actions. If this litigation continues to trial without the Settlement, Plaintiffs believe the resources that are being used to fund the Settlement would no longer be available, and Plaintiffs are aware of no other potential material source of recovery.

HOW YOU GET A PAYMENT — SUBMITTING A PROOF OF CLAIM FORM

11. How can I get a payment?

To qualify for a payment, you must send in a timely and valid Proof of Claim form. A Proof of Claim form is included with this Notice. If you did not receive a Proof of Claim form, you can get one on the Internet at www.gardencitygroup.com. You can also ask for a Proof of Claim form by calling 1-866-405-2131 toll-free, sending an e-mail to Ablelabsquestions@gardencitygroup.com, or writing to Able Laboratories Securities Litigation, c/o The Garden City Group, Inc., P.O. Box 9584, Dublin, OH 43017-4884.

Read the instructions carefully, fill out the Proof of Claim form, include all the documents the form asks for, sign it, and mail it to the address on the form by first class mail, postmarked no later than **June 30, 2010**.

12. When will I get my payment?

The Court will hold a Fairness Hearing on **June 16, 2010 at 1:00 pm** to decide whether to approve the Settlement. If the Court approves the Settlement, there may be appeals after that. It is always uncertain whether these appeals can be resolved, and resolving them can take a long time, perhaps more than a year. It also takes a long time, often as much as a year, for all of the Proof of Claim forms to be reviewed and processed. Please be patient.

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

Unless you exclude yourself, you are staying in the Class. That means all of the Court's orders will apply to you and legally bind you. Upon the "Effective Date" of the Settlement (as defined below), you will release all "Settled Claims" (as defined below) against the "Released Parties" (as defined below), on behalf of yourself and your heirs, agents, executors, administrators, predecessors, successors and assigns, and personal representatives.

The "Effective Date" will occur when an Order entered by the Court approving the Settlement becomes final and not subject to appeal.

The "Released Parties" are: Dhananjay G. Wadekar; Robert J. Mauro, Nitin V. Kotak, Garth Boehm, Iva Klemick, Robert Weinstein, C. Robert Cusick, Elliot F. Hahn, Harry Silverman, David S. Tierney, Jerry L. Treppel, F. Howard Schneider, Bharati S. Daftari as Executrix of The Estate of Shailesh V. Daftari, Kamlesh Haribhakti, Joan M. Janulis, Konstantin Ostaficiuk, Hemanshu N. Pandya, Janet Penner, Shashikant C. Shah, and Raju Vegesna (collectively, the "Insureds"); their immediate family members, heirs, executors, administrators, successors and assigns; the Insureds' present, former and future agents, employees, attorneys, advisors, investment advisors, auditors, accountants, and insurers; any person, firm, trust, corporation, officer, director or other individual or entity which is or was related to or affiliated with any Insured, or in which any Insured has or had a controlling interest; and the present, former and future legal representatives, spouses, heirs, executors, administrators, predecessors, successors in interest and/or assigns of any of the foregoing. However, the term "Released Parties" does not include Able.

The "Settled Claims" are all claims, debts, rights, demands, liabilities, and causes of action, including both known and Unknown Claims (defined below), (i) that have been asserted in this Action against any of the Released Parties, (ii) that could have been, and/or could in the future be, asserted in any forum against any of the Released Parties and which relate to the facts alleged in this Action and to the purchase, sale and/or acquisition of Able common stock during the Class Period, and/or (iii) that arise out of and/or relate in any way to the defense and/or settlement of this Action (except for claims to enforce the Settlement).

"Unknown Claims" means any and all claims which you do not know or suspect to exist in your favor, which if known by you might affect your decisions with respect to this Settlement.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from this Settlement, but you want to keep any right you may have to sue or continue to sue any Defendants or Released Parties on your own about the Settled Claims, then you must take steps to exclude yourself from the Class. This is sometimes called "opting out."

14. What if I don't want to be part of the proposed settlement?

To exclude yourself from the Class, you must mail a signed letter stating that you "request exclusion from the Class in *In re Able Laboratories Securities Litigation*, Master File No. 05-CV-2681 (GEB) (MCA) (D.N.J.)." Please be sure to include your name, address, daytime telephone number, and your signature. **YOUR LETTER MUST STATE THE DATE(S), PRICE(S), AND NUMBER(S) OF SHARES OF ALL OF YOUR PURCHASES AND SALES OF ABLE COMMON STOCK FROM OCTOBER 30, 2002 THROUGH MAY 19, 2005, AS WELL AS THE NUMBER OF SHARES YOU HELD AS OF THE CLOSE OF TRADING ON OCTOBER 29, 2002.** IF YOU DO NOT INCLUDE ALL OF THE INFORMATION DESCRIBED IN THIS PARAGRAPH, YOUR REQUEST FOR EXCLUSION WILL BE INEFFECTIVE AND YOU WILL REMAIN IN THE CLASS AND BE BOUND BY THE SETTLEMENT.

You must mail your exclusion request by first class mail, postage prepaid, postmarked no later than **May 19, 2010** to:

Able Laboratories Securities Litigation
c/o The Garden City Group, Inc.
Exclusions
P.O. Box 9584
Dublin, OH 43017-4884

You cannot exclude yourself by telephone or e-mail. If you exclude yourself, you will not get any Settlement payment, and you cannot object to the Settlement. You will not be legally bound by anything that happens in the Action, and you may be able to sue (or continue to sue) the Defendants and Released Parties in the future about the Settled Claims.

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

No. Unless you exclude yourself, you give up any rights to sue the Defendants and the other Released Parties for any and all Settled Claims. If you have a pending lawsuit, speak to your lawyer in that case immediately. You must exclude yourself from **this** Class to continue your own lawsuit.

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

No. If you exclude yourself, do not send in a Proof of Claim form. You will not be entitled to any money from this Settlement.

THE LAWYERS REPRESENTING YOU

17. Do I have a lawyer in this case?

The Court ordered that the law firms of Grant & Eisenhofer P.A., in Wilmington, Delaware, and Labaton Sucharow LLP, in New York, New York, will represent all Class Members. These lawyers are called Plaintiffs' Lead Counsel. The law firm of Wilentz, Goldman & Spitzer P.A., in Woodbridge, New Jersey, serves as New Jersey liaison counsel for the Class.

You will not be separately charged for any of these lawyers. The Court will determine the amount of Plaintiffs' Lead Counsel's fees and expenses, which will be paid from the Settlement. If you want to be represented by your own lawyer, you may hire one at your own expense.

18. How will the lawyers be paid?

The attorneys representing Plaintiffs and the Class have expended considerable time and effort in the prosecution of this litigation on a contingent-fee basis, and have advanced all of the expenses of the litigation, in the expectation that if they were successful in obtaining a recovery for the Class they would be paid from the recovery. In this type of litigation, it is customary for Plaintiffs' attorneys to be reimbursed for their expenses and to be awarded a percentage of the common fund recovery as their fee.

Plaintiffs' Lead Counsel will ask the Court, on behalf of all Plaintiffs' counsel, to award attorneys' fees from the Settlement in an amount approximating twelve percent (12%) of the Settlement, and for reimbursement of expenses incurred in the prosecution of the Action (apart from notice and administration costs) in the approximate amount of \$250,000, plus interest on such fees and expenses at the same rate as earned by the Settlement fund. These requested fees and expenses would total approximately \$1.35 million (or an average of \$0.11 per damaged share) from the \$9.15 million Settlement Payment, plus approximately 12% of any Reverter. Plaintiffs' Lead Counsel, without further notice to the Class, may separately apply to the Court for additional expenses incurred in connection with administering and distributing the settlement proceeds to the members of the Class and any proceedings subsequent to the Fairness Hearing.

The motion for attorneys' fees and expenses will be submitted on behalf of the following Plaintiffs' counsel: Grant & Eisenhofer P.A., 1201 North Market Street, Wilmington, DE 19801; Labaton Sucharow LLP, 140 Broadway, New York, NY 10005; Wilentz, Goldman & Spitzer P.A., 90 Woodbridge Center Drive, Suite 900, Woodbridge, NJ 07095; Diaz Reus & Targ LLP, 100 S.E. Second Street, Suite 2610, Miami, FL 33131; and Murray, Frank & Sailer LLP, 275 Madison Avenue, New York, NY 10016.

OBJECTING TO THE SETTLEMENT

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

If you are a Class Member, you can object to the Settlement or any of its terms, the proposed Plan of Allocation, and/or the application by Plaintiffs' Lead Counsel for an award of attorneys' fees and expenses. The Court will consider your views if you file a proper objection by the deadline identified, and according to the following procedures.

To object, you must send a signed letter stating that you object to the proposed Settlement in *In re Able Laboratories Securities Litigation*, No. 05-CV-2681 (GEB) (MCA) (D.N.J.). Be sure to include your name, address, daytime telephone number, and your signature, identify and supply documentation showing the date(s), price(s), and number(s) of shares of all purchases and sales of Able common stock you made during the Class Period, and state the reasons why you object to the Settlement, including all legal support you wish to bring to the Court's attention and any evidence you have to support your objection. Your objection must be filed with the Court and mailed or delivered to all counsel at all of the following addresses, on or before **May 19, 2010**:

The Court:

Clerk of the Court
Clarkson S. Fisher United States Courthouse
402 East State Street
Trenton, NJ 08608

Plaintiffs' Co-Lead Counsel:

Megan D. McIntyre, Esq.
Grant & Eisenhofer P.A.
1201 North Market Street
Wilmington, DE 19801

Thomas A. Dubbs, Esq.
Labaton Sucharow LLP
140 Broadway
New York, NY 10005

Defendants' Counsel:

Stuart M. Glass, Esq.
Goodwin Procter LLP
53 State Street
Boston, MA 02109

Daniel K. Winters, Esq.
Reed Smith LLP
599 Lexington Avenue
New York, NY 10022

Roderick L. Thomas, Esq.
Wiley Rein LLP
1776 K Street, N.W.
Washington, DC 20006

You do not need to go to the Fairness Hearing to have your written objection considered by the Court. At the Fairness Hearing, any Class Member who has not previously submitted a request for exclusion from the Class and who has complied with the procedures set out in this question 19 may appear and be heard, to the extent allowed by the Court, to state any objection to the Settlement, the Plan of Allocation, or Plaintiffs' Lead Counsel's motion for an award of attorneys' fees and reimbursement of expenses. Any such objector may appear in person or arrange, at his or her own expense, for a lawyer to represent him or her at the hearing.

20. What is the difference between objecting and excluding?

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

THE SETTLEMENT FAIRNESS HEARING

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

The Court will hold a Fairness Hearing on **June 16, 2010, at 1:00 p.m.**, in Courtroom 4E at the Clarkson S. Fisher United States Courthouse, 402 East State Street, Trenton, New Jersey 08608.

At the Fairness Hearing, the Court will consider whether the Settlement is fair, reasonable and adequate and should be approved, and will also consider the proposed Plan of Allocation and the application of Plaintiffs' Lead Counsel for attorneys' fees and reimbursement of expenses. The Court will take into consideration any written objections filed in accordance with the instructions at question 19. Any decisions regarding the conduct of the hearing will be made solely by the Court. We do not know how long these decisions will take.

22. Do I have to come to the hearing?

No. Plaintiffs' Lead Counsel will answer any questions the Court may have about the Settlement. But, 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 filed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary. If you do hire your own lawyer, he or she must file a Notice of Appearance with the Clerk of the Court and deliver a copy to Plaintiffs' Lead Counsel and Defendants' counsel at the addresses listed in the answer to question 19 above on or before **May 19, 2010**.

Please be aware that the Court may change the date or time of the Fairness Hearing without further notice to Class Members. If you want to come to the hearing, you should check with Plaintiffs' Lead Counsel before coming to be sure that the date or time has not changed.

Class Members do not need to appear at the hearing or take any other action to indicate their approval of the matters being considered at the hearing.

23. May I speak at the hearing?

You may speak at the Fairness Hearing if you are a Class Member and you filed an objection in the manner described in the answer to question 19 above. If you plan to have an attorney speak on your behalf at the Fairness Hearing, your attorney must file a Notice of Appearance in this Action as set forth in the answer to question 22 above.

If you or your attorney plan to attend and present evidence at the Fairness Hearing, your written objections (prepared and submitted in accordance with the answer to question 19 above) must identify any witness you or your attorney may seek to call to testify, and must identify any documents or other exhibits you or your attorney may seek to introduce into evidence.

IF YOU DO NOTHING

24. What happens if I do nothing at all?

If you are a Class Member and you do nothing, you will be bound by all judgments and proceedings in the Action but you will get no money from this Settlement and you will be precluded from starting a lawsuit, continuing with a lawsuit, or being part of any other lawsuit against the Defendants and the other Released Parties about the Settled Claims. To get money from the Settlement, you must submit a Proof of Claim form (see question 11). To start, continue or be a part of any other lawsuit against the Defendants or other Released Parties about the Settled Claims, you must exclude yourself from the Class (see question 14).

GETTING MORE INFORMATION

25. Are there more details about the proposed Settlement?

This notice summarizes the proposed Settlement. More details are in the parties' Stipulation of Settlement. You can get a copy of the Stipulation of Settlement by downloading it free of charge from www.gardencitygroup.com or by writing to Megan D. McIntyre, Esq., Grant & Eisenhofer P.A., 1201 North Market Street, Wilmington, DE 19801; or Thomas A. Dubbs, Esq., Labaton Sucharow LLP, 140 Broadway, New York, NY 10005.

You also can call the Claims Administrator toll-free at 1-866-405-2131, send an e-mail to Ablelabsquestions@gardencitygroup.com, write to Able Laboratories Securities Litigation, c/o The Garden City Group, Inc., P.O. Box 9584, Dublin, OH 43017-4884, or visit the website at www.gardencitygroup.com, where you will find answers to common questions about the Settlement, a Proof of Claim form, and other information to help you determine whether you are a Class Member and whether you are eligible for a payment.

26. How do I get more information?

For even more detailed information concerning the matters involved in this Action, you may review the pleadings, the Orders entered by the Court, and the other papers filed in the Action, which may be inspected at the Office of the Clerk of the Clarkson S. Fisher United States Courthouse, 402 East State Street, Trenton, New Jersey 08608, on weekdays (other than court holidays) between 9:00 a.m. and 4:00 p.m. Subscribers to PACER, a fee-based service, can also view the papers filed in the Action through the Court's on-line Case Management/Electronic Case Files System at <https://ecf.njd.uscourts.gov>.

PLAN OF ALLOCATION

The \$9,150,000 cash Settlement Payment and the interest earned thereon shall be the Joint Settlement Fund. The Joint Settlement Fund, after deduction of Court-approved attorneys' fees and expenses, notice and administration expenses, and tax and tax expenses, shall be the Net Joint Settlement Fund. The Net Joint Settlement Fund will be distributed to all Class Members and Consumer Class members who submit timely, valid and signed Proof of Claim forms ("Authorized Claimants") and whose payment from the Net Joint Settlement Fund would equal or exceed ten dollars (\$10.00).

The Reverter, if any, and the interest earned thereon, shall be the Reverter Fund. The Reverter Fund, after deduction of Court-approved attorneys' fees and expenses, notice and administration expenses, and tax and tax expenses, shall be the Net Reverter Fund. The Net Reverter Fund will be distributed to all Class Members who submit timely, valid and signed Proof of Claim forms ("Authorized Reverter Claimants") and whose payment from the Reverter Fund would equal or exceed ten dollars (\$10.00). The Consumer Class members shall not share in the Net Reverter Fund.

The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Net Joint Settlement Fund based upon each Authorized Claimant's "Recognized Loss." Similarly, the Claims Administrator shall determine each Authorized Reverter Claimant's *pro rata* share of the Net Reverter Fund based upon each Authorized Reverter Claimant's "Recognized Loss." The Recognized Loss formula is not intended to be an estimate of what a Class Member or Consumer Class member might have been able to recover after a trial, nor is it an estimate of the amount that will be paid to claimants pursuant to the Settlement. The Recognized Loss formula is the basis upon which the Net Joint Settlement Fund will be proportionately allocated to the Authorized Claimants, and upon which the Net Reverter Fund will be proportionately allocated to the Authorized Reverter Claimants.

Recognized Losses for Class Members. For shares of Able common stock purchased or acquired between October 30, 2002 and May 18, 2005, inclusive and:

1. Sold at a loss on or before May 18, 2005, the Recognized Loss per share is one-tenth (1/10) of the purchase price paid (excluding commissions and fees) (the "PPP") minus the sales proceeds received (net of commissions and fees) (the "SPR").
2. Sold at a loss on May 19, 2005, the Recognized Loss per share is the lesser of: (a) the PPP minus the SPR; or (b) \$18.37 (*i.e.*, the decline in Able's stock price from market close on May 18 to market close on May 19).
3. Still held as of the close of trading on May 19, 2005, the Recognized Loss per share is \$18.37.

To the extent a Class Member had a gain or "broke even" from his, her or its overall transactions in Able common stock during the Class Period, the value of the Recognized Loss will be zero, and the Class Member will not be entitled to a share of the Net Joint Settlement Fund or the Net Reverter Fund. To the extent that a Class Member suffered a loss on his, her or its overall transactions in Able common stock during the Class Period, but that loss was less than the Recognized Loss calculated above, then the Recognized Loss shall be limited to the amount of the Class Member's actual loss. A Recognized Loss that calculates to yield a negative number is treated as a Recognized Loss of zero.

For purposes of determining whether a Class Member had a gain or suffered a loss from his, her or its overall transactions in Able common stock during the Class Period, the Claims Administrator shall: (i) total the amount paid for all Able common stock purchased during the Class Period by the Class Member (the "Total Purchase Amount"); (ii) match any sales of Able common stock during the Class Period first against the Claimant's opening position in the stock (the proceeds of those sales will not be considered for purposes of calculating gains or losses); and (iii) total the amount received for sales of the remaining shares of Able common stock sold during the Class Period (the "Sales Proceeds"). The difference between the Total Purchase Amount and the Sales Proceeds will be deemed a Class Member's gain or loss on his, her or its overall transactions in Able common stock during the Class Period.

In the event a Class Member has more than one purchase or sale of Able common stock, all purchases and sales shall be matched on a first-in-first-out ("FIFO") basis: Class Period sales will be matched first against any Able shares held at the beginning of the Class Period and then matched chronologically thereafter against each purchase made during the Class Period.

A purchase or sale of Able common stock shall be deemed to have occurred on the "contract" or "trade" date as opposed to the "settlement" or "payment" date. "Short" sales of Able common stock shall not be recognized for any amount of loss on the cover, purchase or closing transaction, and no Recognized Loss will be computed for any such covering purchase or closing transaction.

A Class Member's Recognized Loss is calculated based in part upon an estimation of the level of artificial inflation in the market prices of Able's publicly traded common stock. Recognized Losses will be reduced dollar-for-dollar to the extent that (i) publicly traded Able common stock was purchased or acquired at a price below the lowest trading or published price for such publicly traded Able common stock on the date during the Class Period on which the purchase or acquisition was made (*e.g.*, in a private sale or at a discounted price), or (ii) publicly traded Able common stock was sold at a price above the highest trading or published price for such publicly traded Able common stock on the date during the Class Period on which the sale was made.

Recognized Losses for Consumer Class Members. The Recognized Loss of a Consumer Class member who is not a Third Party Payor (defined below) shall equal the total amount he, she or it paid between October 1, 1999 and May 18, 2005 to purchase generic drug products manufactured by Able, and which he, she or it has not already recovered in conjunction with Able's bankruptcy proceedings. The Recognized Loss of a Consumer Class member who is a Third Party Payor shall equal three-fourths (3/4) of the total amount it paid between October 1, 1999 and May 18, 2005 to purchase generic drug products manufactured by Able, and which it has not already recovered in conjunction with Able's bankruptcy proceedings.

All Consumer Class members who are Third Party Payors (defined below), and all Consumer Class members who paid more than \$250.00 in total between October 1, 1999 and May 18, 2005 to purchase generic drug products manufactured by Able, shall be required to provide documentary evidence of their payments.

For purposes of this Plan of Allocation, "Third Party Payor" means an entity that provides health insurance, health benefits, pharmacy benefits, and/or similar healthcare coverage benefits, including paying for medical treatment and/or prescription drugs.

Allocation of Net Joint Settlement Fund Among Authorized Claimants. Each Authorized Claimant shall be allocated a *pro rata* share of the Net Joint Settlement Fund based on his, her or its Recognized Loss as compared to the total Recognized Losses of all Authorized Claimants. A Claimant's *pro rata* share will be determined by multiplying the Net Joint Settlement Fund by a fraction, the numerator of which shall be the Claimant's Recognized Loss and the denominator of which shall be the total Recognized Losses of all Authorized Claimants.

Allocation of Net Reverter Fund Among Authorized Reverter Claimants. Each Authorized Reverter Claimant shall be allocated a *pro rata* share of the Net Reverter Fund based on his, her or its Recognized Loss as compared to the total Recognized Losses of all Authorized Reverter Claimants. A Claimant's *pro rata* share will be determined by multiplying the Net Reverter Fund by a fraction, the numerator of which shall be the Claimant's Recognized Loss and the denominator of which shall be the total Recognized Losses of all Authorized Reverter Claimants.

The Court has reserved jurisdiction to allow, disallow, or adjust the Recognized Loss of any Claimant on equitable grounds. The Court may also modify this Plan of Allocation in the interests of justice without further notice to Class Members.

Class Members and Consumer Class members who do not submit acceptable Proofs of Claim will not share in the Settlement proceeds. Class Members who do not either submit a request for exclusion or submit an acceptable Proof of Claim will nevertheless be bound by the Settlement and the Order and Final Judgment of the Court dismissing the Action.

Distributions will be made to Authorized Claimants and Authorized Reverter Claimants whose claims entitle them to a payment after all claims have been processed and after the Court has finally approved the Settlement.

If any funds remain in the Net Joint Settlement Fund by reason of un-cashed distributions or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Authorized Claimants who are entitled to participate in the distribution of the Net Joint Settlement Fund cash their distributions, any balance remaining in the Net Joint Settlement Fund one (1) year after the initial distribution of such funds shall be re-distributed to Authorized Claimants who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution, after payment of any unpaid costs or fees incurred in administering the Net Settlement Fund for such re-distribution. If, after six (6) months after such re-distribution, any funds shall remain in the Net Joint Settlement Fund, then such balance shall be contributed to non-sectarian, not-for-profit, 501(c)(3) organization(s) designated by Plaintiffs' Lead Counsel.

If any funds remain in the Net Reverter Fund by reason of uncashed distributions or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Authorized Reverter Claimants who are entitled to participate in the distribution of the Net Reverter Fund cash their distributions, any balance remaining in the Net Reverter Fund one (1) year after the initial distribution of such funds shall be re-distributed to Authorized Reverter Claimants who have cashed their initial distributions, after payment of any unpaid costs or fees incurred in administering the Net Reverter Fund for such re-distribution. If, after six (6) months after such re-distribution, any funds shall remain in the Net Reverter Fund, then such balance shall be contributed to non-sectarian, not-for-profit, 501(c)(3) organization(s) designated by Plaintiffs' Lead Counsel.

Please note that the term "Recognized Loss" is used solely for calculating the amount of a Claimant's participation in the Net Joint Settlement Fund and/or Net Reverter Fund. It does not reflect the actual amount a Claimant can expect to recover.

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

If you purchased or otherwise acquired the common stock of Able Laboratories, Inc. (NASDAQ: "ABRX" from 11/19/02 to 5/18/05; OTCBB: "ABLA" from 10/30/02 to 11/18/02; CUSIP No. 00371N407, ISIN No. US00371N4079) between October 30, 2002 and May 18, 2005, inclusive, for the beneficial interest of a person or organization other than yourself, the Court has directed that, WITHIN TEN (10) DAYS OF YOUR RECEIPT OF THIS NOTICE, you either (a) provide to the Claims Administrator the name and last known address of each person or organization for whom or which you purchased Able common stock during such time period or (b) request additional copies of this Notice and the Proof of Claim form, which will be provided to you free of charge, and within ten (10) days mail the Notice and Proof of Claim form directly to the beneficial owners of that Able common stock. If you choose to follow alternative procedure (b), the Court has directed that, upon such mailing, you send a statement to the Claims Administrator confirming that the mailing was made as directed. You are entitled to reimbursement from the Joint Settlement Fund of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Those expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator:

Able Laboratories Securities Litigation
c/o The Garden City Group, Inc.
P.O. Box 9584
Dublin, OH 43017-4884
Toll-free telephone: 1-866-405-2131
E-mail: Ablelabsquestions@gardencitygroup.com

PLEASE DIRECT YOUR QUESTIONS TO THE CLAIMS ADMINISTRATOR OR TO PLAINTIFFS' LEAD COUNSEL. DO NOT CONTACT THE COURT OR DEFENDANTS' COUNSEL WITH QUESTIONS.

Dated: Trenton, New Jersey
February 24, 2010

BY ORDER OF THE UNITED
STATES DISTRICT COURT FOR
THE DISTRICT OF NEW JERSEY