

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

SEC v. Dr. Joseph F. “Chip” Skowron III, et al., Civil Action No. 10-CV-8266 (DAB)

DISTRIBUTION PLAN NOTICE OF SKOWRON FAIR FUND

Dear Investor,

If you purchased Human Genome Sciences, Inc. (“HGSI”) common stock on Eligible Purchase Dates between December 7, 2007 and January 23, 2008, inclusive (“Relevant Period”) and suffered a Recognized Loss per the Plan of Allocation, you may be entitled to receive a monetary payment from the Skowron Fair Fund Distribution.

On May 13, 2013, the Honorable Debra A. Batts, United States District Court Judge for the United States District Court for the Southern District of New York issued an Order approving the Distribution Plan in the matter of SEC v. Dr. Joseph F. (“Chip”) Skowron III (“Skowron”); and Dr. Yves M. Benhamou (“Benhamou”), Defendants and six healthcare-related hedge funds affiliated with FrontPoint Partner LLC (“Relief Defendants”). The Distribution Plan provides that the disgorged profits and prejudgment interest paid to the Clerk of the Court and placed into an interest-bearing account with the Court Registry Investment System (“CRIS”), approximately \$35 million (“Skowron Fair Fund”), shall be distributed for the benefit of injured investors who purchased the common stock of HGSI and suffered a Recognized Loss as defined by the Plan.

Participation in the distribution of the Skowron Fair Fund, will not result in the release of any rights or potential claims a claimant may have against any party (other than with respect to the Distribution Agent), including, but not limited to, any party’s past and present directors, officers, promoters, advisers, agents, Affiliates, nominees, assigns, creditors, or controlled entities.

Background of the Case

The Commission alleged that over a six week period between December 2007 and January 2008, Defendant Skowron, a former portfolio manager of six healthcare-related hedge funds affiliated with FrontPoint Partner LLC (“FrontPoint”), was in possession of material negative, non-public information when he ordered the sale of the entire position in HGSI stock held by the six hedge funds. The hedge funds avoided losses of approximately \$30 million by selling their positions in advance of the January 23, 2008 negative news announcement concerning a clinical trial by HGSI.

The SEC also charged Benhamou, a French doctor and medical researcher with unlawfully tipping material, non-public information to Skowron. In the Final Judgments, Behamou, Skowron and the Relief Defendants consented to permanent injunctions and paid disgorgement, pre-judgment interest and in the case of Skowron, a civil penalty, to the Clerk of the Court. On June 4, 2012, the Court created a Fair Fund consisting of the funds in the Court registry accounts.

Plan of Allocation

All capitalized terms not otherwise defined herein shall have the meanings set forth In the Distribution Plan dated March 5, 2013.

The Eligible Purchase Dates are December 7, 2007, December 10, 2007, December 11, 2007, December 12, 2007, December 13, 2007, December 14, 2007, December 17, 2007, December 18, 2007, January 2, 2008, January 18, 2008 and January 22, 2008.

The Recognized Loss will be zero (\$0.00) for any shares purchased on Eligible Purchase Dates and sold at any time prior to the close of trading on January 22, 2008, regardless of whether a loss may have been sustained on the round-trip transaction.

The Recognized Loss for shares purchased on the Eligible Purchase Dates and held as of the close of trading on January 23, 2008 will be the difference between the purchase price per share and \$5.62 per share, the closing price on that day, multiplied by the number of shares purchased and held.

The Recognized Loss for shares purchased on the Eligible Purchase Dates and sold on January 23, 2008 will be the difference between the purchase price per share and the greater of: a) the actual sale price per share; or b) \$5.62 per share, multiplied by the number of shares purchased and sold.

The Net Available Fund will be apportioned among Eligible Claimants on the Eligible Purchase Dates according to a formula that takes into account the amount of Defendant’s “avoided losses” on those days. This calculation is based on the number of shares and the prices at which Defendant disposed of its shares in the market on the Eligible Purchase Dates. The percentage allocation was calculated as follows for each day:

Percentage Allocation Per Day	
12/7/2007	8.64%
12/10/2007	8.37%
12/11/2007	3.71%
12/12/2007	2.62%
12/13/2007	10.63%
12/14/2007	0.49%
12/17/2007	8.74%
12/18/2007	6.70%
1/2/2008	0.14%
1/18/2008	12.28%
1/22/2008	37.68%
Total:	100.00%

The Recognized Loss for Potentially Eligible Claimants who purchased shares of HGSI on any of the Eligible Purchase Dates, and held those shares through the close of trading on January 22, 2008, will be calculated on a first-in, first-out (“FIFO”) basis. Shares of HGSI common stock sold during the Relevant Period will be matched, in chronological order, first against shares held at the beginning of the Relevant Period and will be discarded from the Recognized Loss calculation. The remaining sales of shares during the Relevant Period will then be matched, in chronological order, against shares purchased during the Relevant Period. For Potentially Eligible Claimants who made multiple purchases or sales during the Relevant Period, the FIFO method will be applied to such holdings, purchases, and sales for purposes of calculating the Recognized Loss.

A Potentially Eligible Claimant will be eligible to receive a Distribution Payment from the Net Available Fund only if the Potentially Eligible Claimant had a net loss. In calculating the net loss, the trading loss (or gain) for all transactions in HGSI common stock will be totaled. If an investor has an overall net gain, a net loss equal to zero or a Recognized Loss less than \$10.00, the Potentially Eligible Claimant will not be eligible to receive a Distribution Payment from the Net Available Fund.

The previous provides only summary information regarding the action. We strongly recommend that you read the Distribution Plan, including the Plan of Allocation, and other relevant case documents in their entirety for more complete details. The documents can be found at www.gilardi.com/SkowronFairFund.

If you believe you are a Potentially Eligible Claimant and would like to participate, you must follow the enclosed instructions and complete the Proof of Claim Form included in this packet. Fill out the Proof of Claim Form completely, sign it, include copies of all required supporting documentation, and return in the enclosed envelope to Skowron Fair Fund, c/o Gilardi & Co. LLC, Distribution Agent, P.O. Box 5100, Larkspur CA 94977-5100.

If you are a surviving beneficiary of a person who purchased or acquired HGSI common stock shares during the Relevant Period, you may be entitled to their recovery from the Fair Fund. Please provide, along with a Proof of Claim Form, documentation to demonstrate your status, including a death certificate and Last Will and Testament, Letters Testamentary, evidence of probate and/or any other testamentary provisions of the deceased person.

Your signed Proof of Claim Form must be postmarked no later than September 24, 2013.

If you need assistance completing the Proof of Claim Form or if you have any questions about the case, you may obtain more information by visiting the claim administration website at www.gilardi.com/SkowronFairFund or the case website at www.sec.gov/divisions/enforce/claims/skowron.htm, by calling the dedicated toll-free number at (877) 492-2772 or sending an email inquiry to classact@gilardi.com

Best Regards,

Gilardi & Co. LLC

Court-Appointed Distribution Agent