November 8, 2024

Dear Assertio Holdings, Inc. ("**Assertio**" or the "**Company**") Stockholders:

The Buxton Helmsley Group, Inc. (together with certain of its affiliates, "**BHG**" or "**we**") regrettably announces that we have inverted our long position in Assertio's stock into a short position. Similar to the losses incurred by many Assertio stockholders, BHG realized a minor loss when divesting our long position in the Company's stock.

To be perfectly clear, BHG's mission is dedicated to protecting and maximizing value for stockholders. However, securing such value requires joint cooperation and collaboration, which certain boards of directors may stonewall, as has been the case here. More importantly, it requires a willingness to admit and address mistakes on the part of a board of directors.

Building value for stockholders requires a board of directors willing to work together to fix any and all underlying issues, rather than a board of directors that tries to bury those issues, refuses to engage over them, and betrays and deceives to the point of collapsing the enterprise. It is an investor's biggest mistake to remain committed to an investment position where circumstances have so materially changed to the negative. While BHG had planned to engage in a proxy contest, there is no reason to bear the expense of a proxy contest when we so firmly believe the Company's equity to be worthless (i.e., no equity value to fight for) after such appalling, destructive betrayals by its leadership, both management and Assertio's board of directors.

BHG hopes this will be the last short sale we are ever forced to engage in, very pointedly.

Case in point, we would much rather have an outcome like we achieved at Fossil Group, Inc. (NASDAQ: FOSL):

> In March 2024, BHG secured board-level representation at Fossil and added critically required expertise to fill gaps on its board of directors. Fossil voluntarily agreed to add such expertise to its board of directors, given its ultimate willingness to engage and collaborate with BHG. Within three months of Fossil agreeing to collaborate with BHG, Fossil's equity market capitalization had climbed ***over 80%.*** *That* is what we wish to happen in every company we become involved in; however, such requires both cooperation and the willingness of boards of directors to engage and productively collaborate in good faith with BHG.

* * *

Over the past several months, in numerous instances of private correspondence with Assertio's board of directors (the "**Board**"), BHG has tirelessly attempted to advocate for the survival of Assertio stockholder interests, even after our grim findings. However, we firmly believe that Assertio equity now has zero long-term value, and will shortly have virtually zero value in the open market after the enlightening of stockholders as to the reality here; that is, the catastrophic tangible exposure here quickly turns horrific when exposed under that glaring and indefensible floodlight of evident tort-related product liability that that we foresee as being rapidly and

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imminently revealed and then asserted against the Company after a public discussion of these matters by BHG. If, after releasing this letter to Assertio stockholders, we question whether public market participants genuinely understand why we so firmly believe Assertio has zero net asset (equity) value, we believe it would be a disservice not to enlighten public market participants a bit further, through the release of such extensive supporting evidence related to these exceptional matters. The very point of this discussion is not just to illuminate our findings, but rather to urge stockholders not to lose more on their investment by clinging onto hope in the face of such circumstances, not to mention an evidently misplaced trust in the, clear to us, corrupted leadership that caused such issues.

BHG took our loss on our equity holding, and we would advise other stockholders to do the same. Assertio's stockholders can thank the Board for such evident betrayals, although we anticipate that, instead of gratitude, the Board will be met with an onslaught of class-actions and other stockholder litigation. This could have ended so very differently.

By the end of this letter, we believe that Assertio's stockholders will firmly understand BHG's foundation for its views/beliefs that:

- While Assertio's Board and management claim the Company is "well-funded," we believe Assertio is, in fact, firmly **net asset insolvent** (i.e., *the liabilities in reality far exceed the Company's assets, on a consolidated basis, while not yet recorded on the Company's balance sheet*). Such liability gets compounded by the catastrophic expense and exposure to be incurred under that tort and product liability, which has not yet been asserted (but we believe it will be imminently and rapidly asserted after this public letter) due to evident product-related fraud. The Board has adopted a "*hear no evil, see no evil"* approach, which will now cost stockholders immensely, given the Board's betraying of stockholders through such a reckless approach.
- **As will also be made clear why by the end of this letter, we believe the value of Rolvedon is actually worthless due to the evident clinical data falsification and tampering, misrepresentations as to certain severe adverse events and other safety data that collectively impacts the product and taints such product's regulatory submission to FDA, which we—more pointedly—believe will result in an adverse regulatory action, including without limitation, the imminent revocation of the Rolvedon (initially investigated and FDA approved as "Rolontis" and then marketed as Rolvedon) product approval by the FDA, given the Board's prior-mentioned "*hear no evil, see no evil*" non-response to such serious risk matters. At a minimum, we expect the FDA to immediately initiate and take all such regulatory and compliance enforcement action prudent and necessary for patient safety and in the public interest thereafter.**
- **In the event that FDA shockingly decides to delay and/or not take affirmative action towards investigating, restricting and/or revoking its prior product approval and/or commercial authorization to market and sell Rolvedon/Rolontis, such a lack of action by the FDA would merely work against public policy and the public interest in commercially selling only safe, effective and compliant medical products. Any federal agency and/or authority inaction would also be expected to fuel public anger, raise realistic suspicions regarding product safety, thereby effectively crippling Rolvedon's market potential.**
- **Furthermore, any perceived inaction by FDA would only serve to incentivize other illegal conduct within the medical product industry; including, for example, safety data editing/tampering efforts to obtain wrongful approval of future drugs to be evaluated by the FDA.**
- **Under such circumstances, we do not see the FDA setting up a precedent where Assertio's profits will be allowed to continue to flow when based on a foundation of tampered and edited clinical records in addition to unreported serious adverse events and other safety data. Instead, we would**

not be surprised to see the FDA making a *very* firm example out of not only Spectrum and Assertio, but—even more importantly—their respective leaderships. We also believe, beyond the FDA taking action, that CMS will feel forced to take further action by retracting the unique "J-Code" associated with Rolvedon, which would cut off significant government funding that Spectrum critically relies on.

- The Board has committed serious betrayals as fiduciaries to the Company, resulting in (our belief, given our interactions with Assertio's Board and management) a likely absence of adequate insurance coverage for this evident mass tort and product liability. Consequently, we firmly believe that Assertio's equity has no long-term value,[1] a reality we expect will be reflected in the open market over the coming days as public market participants digest this letter and the extensive accompanying private communications between BHG and Assertio's leadership.
- This significant tort and product liability is now (obvious to us) the reason why the Company has effectively refused to engage in share repurchases. That is, not only due to the apparent securities fraud at hand, but also given that any Assertio' share repurchases under the circumstances of such apparent net asset insolvency would then almost surely constitute fraudulent conveyances under the U.S. Bankruptcy Code.
- Between BHG's engagement with the Board and Assertio's claims of being "well-funded" while its stock trades at supposedly "undervalued" levels, there has been a clear disconnect between Assertio's leadership's words and actions from the beginning. We were far from convinced (and greatly discomforted) when Assertio's Audit Committee Chair (Sravan K. Emany) and CFO (Ajay Patel) stated they were "not following" BHG's direct questions during a closed-door meeting on May 7, 2024 (the "**May 7 Meeting**"). The questions we posed were straightforward, and our independent forensic accounting consultants have had *zero* issues understanding our questions, in addition to our basis for asking them. It became clear, at that point, that Assertio's leadership was simply "playing dumb" to conceal something—we now know what that is, and now all stockholders will too.
- Under the current circumstances, Assertio cannot engage in any further M&A that involves the issuance of any securities tied to Assertio's existing capital structure—as the Board has now entirely tied the Company's hands. Furthermore, any of Assertio's newly issued securities would be a further byproduct of the evident ongoing fraud (*multifaceted, between the evident product-related fraud, investor fraud, etc*.). We also believe no counterparty would (with full disclosure of the reality, yet far belatedly, that would be) be willing to receive equity (or any other security interests) linked to a company with such significant tort-related liability, especially now that this liability appears to be firmly implicated at the parent company level. We think it would be nothing short of a miracle if that weren't the case, considering the Board's "*head in the sand*" approach to these matters. Unfortunately, while the Board's gross failures in responding to these issues have not only implicated—in our view—likely personal liability for each of the Board members themselves, such gross failures also have almost certainly also guaranteed the tort-related product liability to exist at the parent company level, too, given that is where the Board serves.
- Assertio's Board and management have personally implicated themselves in these matters in such a way that we believe it would be—in our view—very unlikely that director and officer insurance coverage would cover stockholder losses, given our alarming private communications with the Board, attached hereto. Has the Board, under its indemnification agreements, already begun siphoning millions of dollars from the Company's coffers as a means of defending themselves against their own apparent investor betrayals? For certain reasons we will not get into here, we believe yes.

[1] That is, no equity value unless and until Assertio's capital structure can be forcefully reorganized through a court-overseen restructuring to discharge a significant portion of this evident catastrophic tort-related liability that, clear to us, far exceeds Assertio's asset values on a consolidated basis.

- Intriguingly, if stockholders recall, the ***Board attempted to pass*** a resolution that would have meant providing themselves with a ***platinum-level, 110% indemnification coverage*** under Delaware law, but suspiciously couldn't/didn't explain why they believed their current indemnification coverage was inadequate for their realistically possible personal liability. Our findings indicate the Board's concerns regarding their need for enhanced indemnification were *more than* well-founded. However, the Board chose not to disclose those reasons. BHG is enlightening stockholders as to those issues here, despite the then-apparent disclosure failures on the part of Assertio's Board and management.
- By the time the substantial expected tort-related and product liability claims reach a settlement or are litigated to verdict, we do not believe the Board will possess the personal financial resources to repay the Company for their personal defense costs advanced from the Company piggy bank under their indemnification agreements, when they may simply personally file for bankruptcy to discharge the indemnification-related debts. By the time of the "CYA" spend-down coming to a grinding halt (i.e., the Board having depleted Company's financial resources through the use of Company funds for their personal defense), we anticipate the Company will then also *far* lack sufficient financial resources to cover all settlements or verdicts stemming from the expected wave of tort-related product liability litigation BHG believes will emerge shortly (and rapidly) after we have been forced to publicly bring attention to these issues. It is clear to us that, by the time that the civil liability to government entities, cancer patients, and their grieving families could be settled, it is a pipe dream to think that there will be enough funds to pay those harmed parties (and regulators), let alone stockholders. And, that is far from the only expected litigation to be had. A lawyer's dream, we see this situation rapidly descending into a corporate version of lions and a carcass. Stockholders all have "front-row tickets" to the party (their equity ownership), but do they really wish to keep holding on to that equity, or would they like to sell it before no possible counterparty desires to take it off their hands? BHG realized what a mistake it would be not to sell our equity, and that was far from an easy decision.
- After this letter, let's be realistic: BHG has done everything we possibly could to avoid publicizing these issues, but the Board has far from engaged in good-faith. Assertio's Chairman refusing to *even speak* with BHG, hiding behind the Board's lawyers, very tellingly. Such a "head in the sand" reaction unfortunately implicates the tort-related liability at the parent company level, too. It is now obvious that, since we have been forced to inform stockholders of these serious issues publicly, the Board will have paved the way for Assertio's competitors to seize the opportunity to cannibalize their competitor due to such gross inaction and failures. Why would a company like Amgen (NASDAQ: AMGN) (maker of Neulasta, a competing drug to Rolvedon, or the maker of any of the other Neulasta biosimilars on the market) not take every action in their power to get their competitor shut down in the face of such egregious matters coming to light? BHG, as can be seen from the below-attached letters, did everything we could to avoid this happening. Assertio stockholders have no one to blame but their Board and management here.

Given the issues at hand involving the evident victimization of cancer patients, BHG intends to make a donation to a cancer-focused charity after closing our short position, using a portion of the profits expected to be realized over the near-term. A portion of these anticipated "profits" will cover the significant professional fees incurred during our pursuit of these matters. BHG undertook these expenses in the hope that they would ultimately benefit all stockholders (providing our expertise to help stockholders), but that required the cooperation of Assertio's Board and management, which was not forthcoming in the slightest—you can only bring a horse to the water. However, stockholders can and should hold their Board and management accountable for the lack of a positive outcome.

We did not wish to sell short here, but the Board left us with no choice after hiding behind its lawyers and refusing to engage with BHG, fully aware they were caught "red-handed." The Board thereby created

significant liability risk exposure for the Company through their colossal due diligence failures and inability to come clean about, let alone address/correct, them.

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For background, on May 17, 2024, BHG issued a press release publishing the preliminary report from a dual-CPA/Certified Fraud Examiner (the "**May 17 BHG Press Release**"), attesting to the reasonableness of BHG's grave concerns and suspicions surrounding Assertio's sudden, massive nearly 75% write-down of Spectrum Pharmaceuticals, Inc. ("**Spectrum**"), with a stated basis for the impairment charge that was both ambiguous and illogical under the Company's circumstances.

Less than a *quarter* after the date of Assertio's acquisition of Spectrum, the Board oversaw the ~75% write-down (*thereby admitting to having massively overpaid for Spectrum*), yet acting as though nothing was materially misrepresented to them as part of the acquisition—entirely suspicious. Put simply, the Board rushed to expedite the Spectrum acquisition closing, and it blew up in their face.

Within days after the May 17 BHG Press Release, BHG spoke with Spectrum's former Senior Counsel for Global Research and Development (the "**First Spectrum Whistleblower**"). The First Spectrum Whistleblower, with decades of experience in the area of biologic pharmaceutical regulation and product development, had refused to sign off on the initial biologic license application ("**BLA**") for Rolvedon (then, Rolontis), given that **Spectrum had—among many other issues of research misconduct—tampered with a material amount of clinical data that showed, after study subjects were dosed with Rolvedon, their bodies were creating pre-cancerous oncolytic blood blasts.** Not only was this clinical data tampered with to create a fraudulent BLA, but the study subjects and their doctors were *never notified* that such a detrimental health risk issue had developed over the course of the Rolvedon clinical trials (in violation of health care laws and Spectrum's direct promise as made to each of those cancer patients in the Rolontis Study's Informed Consent Form that each of those study subjects signed prior to their enrollment in the study).

Those study subjects' notice of such a critical health issue developed after participating in the Rolvedon/Rolontis clinical trials, which was absolutely required to be reported under their Informed Consent Form, is now coming from BHG (*not* Spectrum)—*years* after it should have been disclosed by Spectrum to those study subjects and their doctors.

Beyond the issue of tampered clinical data (and other misconduct as part of the research and development process), the initial Rolvedon BLA was also filed even though missing multiple required sections and other contents (i.e., it was "*dead on arrival*," once submitted to the U.S. FDA, just based on the missing sections alone, before even considering the clinical data integrity issues). Spectrum executives were still determined to submit Rolvedon/Rolontis BLA #1[2] to the FDA, given that Spectrum's executives contractually triggered a large bonus (shockingly approved as reasonable by Spectrum's board of directors) by submitting effectively *anything* in the form of a BLA by the end of 2018—a performance incentive in no way aligned with Spectrum stockholder interests (not to mention, cancer patients).

The issue of the Rolvedon/Rolontis BLA #1 being wholly insufficient and incomplete was the reason for it being entirely withdrawn shortly after being filed (causing Spectrum's stock price to drop significantly). We bring this issue up as it goes to show the level of (clear to us, no) "*care*" Spectrum's pre-acquisition leadership had for upholding their duties to not act selfishly, but rather, in the interests of their stockholders.

[2] The Rolvedon/Rolontis BLA was submitted *three* times in total, spanning from 2018 to 2022.

So, none of this should come as a surprise to stockholders. The pattern of an inability to uphold fiduciary duties at Spectrum is beyond glaring.

The First Spectrum Whistleblower had raised and reported these issues of misconduct repeatedly to not only Spectrum's pre-acquisition Chief Compliance/Legal Officer, Keith McGahan (then, a Section 16 officer of Spectrum), but also to other high-level Spectrum executives as well as Spectrum's Compliance team[3] (which Mr. McGahan ultimately oversaw), repeatedly.

Despite Mr. McGahan having received written reports of such egregious research misconduct, he stood behind the following representation (while still holding his position Chief Compliance/Legal Officer) on page 33 of the Assertio-Spectrum merger agreement ("**Spectrum Merger Agreement**"):[4]

> **"[*Spectrum] has not received any written communication that relates to an alleged violation or noncompliance with any Health Care Laws…"*

If that does not constitute evident securities fraud, we do not know what does. There are also numerous other blatant misrepresentations within the Spectrum Merger Agreement, not only on page 33 but also on page 32, among others. If Mr. McGahan suffers from such deficient mental capacity, we believe he should be immediately stripped of his law license by the North Carolina State Bar (copied here) and barred by the U.S. SEC from ever serving in a fiduciary capacity at a public company again in the future. According to Mr. McGahan's LinkedIn profile, he is now the Chief Legal Officer of ALG Senior, based in Hickory, North Carolina.[5] Would such a senior living-focused facility wish to continue its employment of Mr. McGahan after hearing about what he stood behind at Spectrum? Mr. McGahan is also apparently a board member at Provectus Alliance and WiNK Therapeutics.

The First Spectrum Whistleblower, after a complete failure by Spectrum's executives and Compliance team to address the issues, went so far as to ultimately raise the issues of misconduct directly to Spectrum's pre-acquisition Chairman William Ashton (whom the First Spectrum Whistleblower has personal phone calls, text messages and e-mails with—back when Chairman Krassner led Spectrum's board of directors).

Mr. Ashton did *nothing* and, in fact, decided to stick his head "in the sand," as was communicated to the First Spectrum Whistleblower who received a notice from Spectrum's outside counsel that she should not send Mr. Ashton any further reports of Spectrum misconduct directly, ever again. That was, however, after Mr. Ashton had already spoken with and e-mailed the First Spectrum Whistleblower requesting more information and subsequently, he clearly must have realized that he would be *sunk* if the material information he had been receiving was ever seen by regulators (or prosecutors). It should be noted that while Mr. Ashton

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[3] As noted in Spectrum's 2018 *Code of Business Conduct and Ethics*, all e-mails sent to Spectrum's designated e-mail address for its Compliance department ("**compliance@sppirx.com**"), were then further distributed to former Spectrum Chief Legal/Compliance Officer Keith McGahan, and other former Spectrum employees including Justin Underwood, Esq., Stanton Gregg Kunzi,, Esq. Ritesh Srivastava, Esq., Jennifer Barbere, and Melissa Cox-Swanson. That ***Code of Business Conduct and Ethics*** also stated the requirement that (pg. 26) "***all accounting-related complaints and other serious compliance-related complaints are reported to the CEO/Board of Directors***." Thus, Spectrum's board of directors (including current Board member Dr. Jeffrey Vacirca) must know all about these matters.

[4] Spectrum Merger Agreement, dated April 24, 2023: https://www.sec.gov/Archives/edgar/data/831547/000110465923049367/tm2313548d2_ex2-1.htm

[5] LinkedIn profile of Keith McGahan (Last Accessed November 8, 2024): https://www.linkedin.com/in/keith-mcgahan

had been Spectrum's pre-acquisition Chairman, he did not hold the Chair title at the time of his communications with the First Spectrum Whistleblower, which implies and effectively implicates that the rest of the Spectrum board of directors (including the then-Chairman Krassner and the current Board member Dr. Jeffrey Vacirca) almost surely knew of the issues of misconduct being raised to him, too (that was, after all, the stated policy from within the previously footnoted *Code of Business Conduct and Ethics* for Spectrum)—it would be entirely illogical that Mr. Ashton would have kept the issues to himself, to then have only implicated himself in the matters.

> **To shine upon them the spotlight they deserve, Spectrum's board of directors during this time period included:**[6] 1) Joseph W. Turgeon; 2) William L. Ashton; 3) Raymond W. Cohen; 4) Elizabeth A. Czerepak; 5) Jeffrey L. Vacirca, M.D., FACP; 6) Dolatrai M. Vyas, Ph.D.; 7) Bernice R. Welles, M.D., M.B.A.; 8) Anthony Maida, III, M.A., M.B.A., Ph.D.; 9) Gilles R. Gagnon, M.Sc., M.B.A., ICD.D; and 10) Stuart M. Krassner, Sc.d., Psy.d.

Interestingly, Mr. Krassner (then, Spectrum's Chairman) opted *not* to stand for re-election to Spectrum's board of directors after the First Spectrum Whistleblower had spoken with and exchanged written communications with the then-board member William Ashton about the Spectrum misconduct he sought more information regarding and she reported witnessing.

Also interestingly, Ms. Czerepak only served on Spectrum's board of directors for *one year* before departing (departing just after the Spectrum Whistleblowers were reporting the Spectrum fraud, even to the Board, left and right).

We will also pose the obvious question: *Why would Mr. Ashton be so worried as to change his mind and stop all communication so as to not receive any further information from the First Spectrum Whistleblower if it were not problematic?* It is a horrible optic when a fiduciary refuses to hear from an internal whistleblower—there is simply no reason why a fiduciary would cut off communications with a whistleblower other than if he or she were worried about plausible deniability. Mr. Ashton, clearly hoping for plausible deniability, had none left.

Ironic, but not shocking to BHG, Mr. Ashton was, just months ago, serving on the board of directors of the same public pharmaceutical company as Bryan Reasons, who is *still* (*somehow*) the Chief Financial Officer of Mallinckrodt plc., where BHG—in March 2023—discovered and exposed Mr. Reasons' oversight of a *repeat* multibillion-dollar accounting and securities fraud scheme. After BHG published a nearly 40-page report detailing how Mr. Reasons had evidently defrauded investors during the first round of the evident accounting fraud, BHG then also detailed how Mr. Reasons was doing the same thing *all over again*: Mallinckrodt plc. *re-filed* for bankruptcy shortly thereafter, then admitting (within bankruptcy court filings) to the billions of dollars in financial losses BHG alleged were being (re-)concealed within SEC-filed financial disclosures, *all over again*. Mallinckrodt's auditor over the course of *both* accounting fraud schemes, Deloitte & Touche, continued their audit work until just weeks after BHG publicly (via an open letter) asked the U.S. Senate Committee on Finance if Deloitte's client needed to commit the same accounting fraud scheme *three times over* before their "feet" would be "held to the fire."

> **Interesting Observation for Investors to Keep in Mind:** Deloitte was not only the auditor for Mallinckrodt plc., but also was (and still is) the auditor for Fossil Group, Inc., where BHG secured board-level representation in March 2024. Over the course of BHG's due diligence questioning at Fossil, it quickly became apparent that Fossil's interpretation of what constituted GAAP-compliant

[6] Some Spectrum board members listed did not serve at the same time as others.

> accounting (particularly in the area of accounting for asset values) was vastly different than Mallinckrodt plc.'s interpretation of those same accounting rules. The obvious question? How could Deloitte have signed off on the financial statements for two companies with such vastly different interpretations of what constitutes GAAP-compliant accounting? BHG generally agreed with what we eventually heard from Fossil—not at all agreeing with what was happening at Mallinckrodt plc., obviously. We add this "tidbit," as it just goes to show *why* BHG applies such a level of critical analysis (over public disclosures), and also why investors should not simply trust a company's financials because a company has a big-name auditor—the existence of a big-name auditor should give an investor *zero* assurance, case in point here, too.

We are enlightening Assertio's stockholders of that additional "*fun fact"* related to Mr. Reasons serving on another public company board with Spectrum's pre-acquisition Chairman, Mr. Ashton, as it *also* just goes to show that none of this should come as a shock. As the old adage goes, "*You are the company you keep."* It is becoming increasingly apparent to BHG, over the course of our research, that the corporate types in the pharmaceutical industry, with no apparent moral bounds, all seem to know and work with each other.

As can be gleaned from the below enclosures, it is clear to us that Spectrum's culture of deception was no different than that of Assertio now. Assertio has had multiple creative reorganizations, acquisitions, and name changes (i.e., and/or re-brandings), and yet, Assertio apparently still has critical integrity issues.

Clearly, fiduciary duties were not central to the decision-making process of Spectrum's pre-acquisition leadership, nor are fiduciary duties an integral part of the decision-making process of Assertio's Board and management.

Spectrum—in 2018 (days from the new year, and ***just in time*** **for executive bonus awards**)—submitted that Rolvedon/Rolontis BLA #1, despite having knowledge of the lack of accurate reporting of all serious adverse events experienced by study subjects, the tampered clinical data among other data integrity issues, and the multiple missing sections (in addition to other contents) that were required for the BLA even to be considered ready for evaluation by the FDA, which clearly was not in the interests of Spectrum stockholders.

Shortly thereafter, Spectrum terminated the First Spectrum Whistleblower, after her having advised Spectrum—among other things—on how to correct, complete and remedy the Rolvedon/Rolontis BLA #1 *while simultaneously preserving Spectrum's "FDA Agrees-to-Review-By Date," in accordance with the Prescription Drug User Fee Act "PDUFA"* by submitting an amendment or an addendum to the FDA (the First Spectrum Whistleblower specifically communicated such guidance as to Spectrum's regulatory opportunities directly to the former Spectrum executive, Chief Medical Officer, Francois Lebel, M.D., as such). This course of action provided Spectrum with an opportunity to correct the problematic BLA just submitted to the FDA, which the First Spectrum Whistleblower had refused to sign off on.

This is why the Rolvedon/Rolontis product took so much time, expense and THREE FDA BLA submissions from 2018-2022 before being FDA approved, despite still including the same problematic clinical trial data.

As can be gleaned from public records, the core study subject population data reviewed by the FDA did not change between all three Rolvedon/Rolontis BLA submissions, spanning from 2018 to 2022.

Subsequent to BHG connecting with the First Spectrum Whistleblower, BHG also connected with *another* former Spectrum executive-turned-whistleblower—an Ivy League-educated physician who was involved in the

oversight of clinical trial operations at Spectrum (the "**Second Spectrum Whistleblower**"). (The First Spectrum Whistleblower and Second Spectrum Whistleblower are collectively referred to herein as the "**Spectrum Whistleblowers**") The Second Spectrum Whistleblower was terminated around the same time as (just before) the First Spectrum Whistleblower, after reporting similar and additional clinical data and regulatory compliant enrollment issues, as well as additional ethical matters that she knew were unlawful and created substantial risk to the Rolontis BLA filing corporate goal The Second Spectrum Whistleblower, thereby, affirmed the allegations of the First Spectrum Whistleblower for BHG.

Incidentally, the Second Spectrum Whistleblower had been reporting and escalating substantially similar research misconduct issues as had the First Spectrum Whistleblower, *even before* the First Spectrum Whistleblower contacted Spectrum's Compliance team and Spectrum's board of directors, in her own attempts to correct Spectrum's gross misreporting and misconduct.

By chance, the Second Spectrum Whistleblower stopped to ask directions from the First Spectrum Whistleblower when lost trying to locate the Compliance Department, which was not in her building but rather was in the First Spectrum Whistleblower's entirely separate building. The First Spectrum Whistleblower offered her directions to the Compliance Department. In the process of obtaining directions to the Compliance Department, the Second Spectrum Whistleblower began sharing her concerns with the First Spectrum Whistleblower. The First Spectrum Whistleblower advised the Second Spectrum Whistleblower to communicate all she was witnessing to Spectrum's Compliance Department. Shortly thereafter, the Second Spectrum Whistleblower met with two of Spectrum's Compliance team members, Rosa Montoya-Montiel (Chen) and Stanton Gregg Kunzi, who was Vice President & Deputy General Counsel (collectively, the "**Spectrum Compliance Executives**").

After the Second Spectrum Whistleblower met with Ms. Montoya-Montiel (Chen) and Mr. Kunzi, she was directed to make written notations of everything she was witnessing, and was even provided with a special notebook for doing so (which the Second Spectrum Whistleblower has informed BHG she has preserved). The Second Spectrum Whistleblower personally received that special notebook from the Spectrum Compliance team. The Second Spectrum Whistleblower also had multiple personal conversations about the challenges identified on the path forward towards filing the Rolontis BLA#1 and her Compliance concerns and observations together with Spectrum Chief Legal/Compliance Officer Keith McGahan and the former Spectrum CEO Tom Riga—who also claims himself on LinkedIn to be a "Servant leader."[7]

Mr. Kunzi also ***told the Second Spectrum Whistleblower explicitly that she could not be terminated given her protected whistleblower status***. Mr. Kunzi, further, told the Second Spectrum Whistleblower that she was thereby ***protected (given such a status) from termination for two years***.

Mr. Kunzi (who was a direct report to former Spectrum Chief Legal/Compliance Officer Keith McGahan) also ***told the Second Spectrum Whistleblower*** that, ***if Spectrum tried to terminate her, she should call the him or someone in the Compliance Department immediately.*** Despite the Second Spectrum Whistleblower documenting so much of the day-to-day Spectrum research misconduct, neither Spectrum executives nor its board of directors took any action.

Instead, Spectrum retaliated and was quick to "terminate" the Second Spectrum Whistleblower, but the story is more than interesting, so we must share. While the Second Spectrum Whistleblower was in a meeting with

[7] LinkedIn profile of Tom Riga (Last Accessed November 8, 2024): https://www.linkedin.com/in/tom-riga-a66574184/

members of Spectrum's Compliance and Clinical Operations Departments (in particular, Lola Alade and J.D. Turgeon, who was former Spectrum board member and CEO Joe Turgeon's son),[8] where the Second Spectrum Whistleblower was showing those Compliance Department team members inconsistencies in the clinical trial and safety data and the grading of that data. **In particular, the Second Spectrum Whistleblower showed how the severe adverse events reported by clinical trial sites contained notes (from the site) stating that the severe adverse events were being "*changed at the sponsor's (i.e., Spectrum's) request*" (in order to downplay the severity of adverse reactions, and to fraudulently skew the statistical significance of adverse reactions and their probability).** While the Second Spectrum Whistleblower was in this meeting, the meeting was interrupted by Mr. McGahan, who pulled her out of the meeting and brought her to Earl Falls's (former Spectrum Vice President of HR, who reported directly to Keith McGahan) office. Upon her entry into Mr. Falls' office, the Second Spectrum Whistleblower was informed that there was supposedly a note that was written by the Second Spectrum Whistleblower in the BLA file concerning Ms. Mai Huang (WES Evaluation M.D.) (who was the Director of Regulatory Affairs and Pharmacovigilance for Spectrum, *supposed* to be ensuring the safety of patients), stating that Ms. Huang had been performing a job she was neither trained nor qualified for—***a note that Spectrum executives believed would "kill" the company***. The Second Spectrum Whistleblower, knowing she did not write the note, demanded to see the note, but was told by Mr. Falls that he did not have the note and would give her a copy when he did. The Second Spectrum Whistleblower was then walked out of Spectrum's offices after being "terminated," when she continued asking for proof of the note she knew she had never written. After the Second Spectrum Whistleblower was "terminated," she called Compliance team member Rosa Montoya-Montiel (Chen), given that the Compliance Department had told the Second Spectrum Whistleblower to immediately contact them if anyone attempted to terminate her, given her protected whistleblower status.[9] Ms. Montoya-Montiel said she was going to follow up with Mr. Kunzi. The Second Spectrum Whistleblower never got a call back, however.

But it gets more interesting! The Second Spectrum Whistleblower, although "terminated," was *automatically* enrolled in COBRA coverage, which she never paid premiums for throughout that coverage. **Moreover, after the Second Spectrum Whistleblower's supposed "termination," Spectrum kept her on the payroll for approximately a year after being "terminated," and issued her a W-2 related to those continued payments as a "terminated" employee.**

Also very interesting, J.D. Turgeon (again, the son of former Spectrum board member and CEO Joe Turgeon) endlessly praised the Second Spectrum Whistleblower for her work and said he was so sorry that she had been terminated, in writing. Why would the Second Spectrum Whistleblower have received such praise and been suspiciously kept on the payroll for a year after being "terminated," if there was not something critically wrong at Spectrum? Assertio's Board can seek to explain that one until they are blue in the face, but it still won't be believable, especially if the Board then forces us to start airing out all the non-public evidence of the Spectrum Whistleblowers, including the written notes from J.D. Turgeon (and others).

As another fascinating part of this story, the Second Spectrum Whistleblower was terminated based on the belief of two former Spectrum executives[10] that this nonexistent note somehow existed. After the Second Spectrum

[8] At this time, the Second Spectrum Whistleblower's daughter had just suffered a stroke, was in the hospital, and her son was losing the vision in his right eye. The Second Spectrum Whistleblower was also the sole provider for the family.

[9] Again, the Compliance executive who gave the Second Spectrum Whistleblower the special notebook told her that she was to use the notebook for documenting all of the the Spectrum misconduct that she was witnessing so frequently.

[10] In particular, Mamta Trivedi (former Vice President of Quality for Spectrum) and Christian Tran (former Director of Product Development, Chemical Manufacturing and Controls, and Clinical Quality).

Whistleblower was already terminated (*not before*), Mr. McGahan apparently directed his direct report and Compliance team member, Ritesh Srivastava (who apparently fears the First Spectrum Whistleblower enough to have blocked her on LinkedIn), to investigate whether the alleged note to the file even existed. Months later, Mr. Srivastava then, after his investigation, realized the note never existed. Next, Mr. Srivastava then was *promoted* to Global Compliance Officer by Spectrum after the Second Spectrum Whistleblower lost her job for a note that never existed.

As one "***fun fact***" related to Mr. Srivastava, he was, according to his LinkedIn profile, a Trial Attorney for the Healthcare Fraud Division of the U.S. Department of Justice—all too fitting for these matters, so we trust he will understand how serious they are.[11] We also wonder, did Mr. Srivastava also sell his Spectrum shares with knowledge of these serious (very material, in our view) matters never disclosed by Spectrum?

The Second Spectrum Whistleblower had followed up with Spectrum numerous times asking for the alleged note that resulted in her termination, and—of course—it never was produced for her.

As a side note related to Mr. Srivastava, he was also the Company representative at an August 31, 2023, poorly managed and hosted "mediation" session related to the First Spectrum Whistleblower's wrongful termination claims against Spectrum. This also goes to support Mr. Srivastava being *well aware* of the First Spectrum Whistleblower's allegations, and very possibly is the reason why he has blocked the First Spectrum Whistleblower on LinkedIn. Interestingly, not long after this "mediation" session, Mr. Srivastava apparently opted to "jump ship" to BPGbio Inc., where he now serves as General Counsel (according to his LinkedIn, starting this new position as of January 2024).

As another interesting "***fun fact****"* concerning the Spectrum leadership dynamic, former Spectrum "counsel" Justin Underwood was terminated after it was discovered he was practicing law without a license (i.e., ***was not registered with the California Bar****)*, resulting in a major hike in insurance premiums for Spectrum. BHG asks, what even would be the insurance coverage for actions taken by "counsel" practicing without a law license? In fact, Mr. Underwood is apparently (according to his LinkedIn) an in-house counsel at Evolus, Inc. (NASDAQ: EOLS), but is still apparently not registered with the California Bar... The overall lack of compliance at Spectrum should not be a shock to anyone, given that Spectrum had a "lawyer" practicing without a law license, and we then wonder how many other "lawyers" they employed.

In case this is not already enough, the Spectrum Whistleblowers also know of many more Spectrum employees who are aware of the misconduct Spectrum engaged in, in addition to other misconduct we have not even yet heard about (as though Assertio's stockholders need any more nails in the coffin here). BHG has not discussed the specifics, but has also been advised there has been significant misconduct in connection with the research and development of other Spectrum products as well, including Poziotinib (as has been alleged in class-action suits, but—according to the Spectrum whistleblowers—those class-action complaints "miss the mark" on how bad the underlying issues really are).

Even if BHG eventually hears what those issues are, there are enough nails in this coffin related to Spectrum that it would not affect our firm belief of zero equity value existing for Assertio stockholders (knowledge of that misconduct would simply drive Assertio equity even *further* into negative territory).

[11] Linkedin profile of Ritesh Srivastava (Last Accessed November 8, 2024): https://www.linkedin.com/in/ritesh-sri/

Certain witnesses to the Spectrum misconduct were creatively terminated under the fabricated guise of being "sold off" through Spectrum M&A activities (particularly, when Spectrum entirely divested of its commercial product portfolio[12]), including the First Spectrum Whistleblower.

Please note, BHG encourages any current or former Spectrum employees who read this letter or merely have knowledge of misconduct at Spectrum to contact regulators.

BHG did not just take the Spectrum Whistleblowers' statements at face value. BHG has went so far as to engage outside counsel (a leading law firm of the United States) to independently investigate and review a sufficient portion of the extensive troves of non-public evidence in the possession of the Spectrum Whistleblowers, in preparation for a possible derivative action for such evident fraud. BHG is, therefore, not just lobbing accusations of misconduct without having had an investigation of the Spectrum Whistleblowers' claims undertaken. The aforementioned possible derivative action was set to name defendants, including (a) Spectrum's pre-acquisition leadership; and (b) given the below-enclosed private communications between BHG and Assertio's Board (and management).

Will insurance cover all of this? While BHG referred these matters to a law firm that may file that derivative action (with BHG having indicated our willingness to support the litigation as a witness, if appropriate), we believe it would be an utter miracle if director and officer insurance ultimately covers any claims arising from these matters, given apparent concealment of the Company's circumstances from stockholders and, presumably, insurers alike. If there is a "coverage denial," it is evident to us that the Company would be drained of its assets due to director-officer indemnification agreements, which apparently require the Company to advance litigation defense costs to Board and executive management (if those fiduciaries are personally named as defendants in litigation), even after such evidently endless betrayals of the Company on their part—not fair, but the reality.

On top of the anticipated coverage denial, we further believe any such claims would be contested by the Company's director and officer insurance carriers now that the below-enclosed correspondence between BHG and the Company has been released, with Assertio Board members and management effectively putting their hands over their ears and sticking their heads in the sand, to the demise of stockholders. Insurers are not usually very quick to defend directors who clearly turned a blind eye to unaddressed misconduct occurring under their oversight, and repeatedly failed to investigate the matters in accordance with their fiduciary duties. They usually also then have failed to provide notice of such circumstances to those insurers, paving an easy route for coverage denial by insurers.

Beyond the highly likely derivative litigation, we also anticipate an utter *avalanche* of off-chute litigation, by and between Assertio and cancer patients (or their grieving families, on behalf of the cancer patients' estates), and health insurers, as well as investor class-action suits, regulatory action, and otherwise. Assertio's stockholders can only imagine how much cancer patients and their grieving families will demand in civil damages as a result of having never been told (as Spectrum promised within the study subjects' Informed Consent Forms) that, after being dosed with Rolvedon/Rolontis, their bodies were creating pre-cancerous oncolytic blood blasts, and were therefore never able to address such a severe adverse event (the outcome of

[12] "*Spectrum Pharmaceuticals Sells Marketed Portfolio to Acrotech Biopharma L.L.C. to Focus on New and Innovative Therapies for Cancer Patients*" – BusinessWire: https://www.businesswire.com/news/home/20190117005355/en/Spectrum-Pharmaceuticals-Sells-Marketed-Portfolio-to-Acrotech-Biopharma-L.L.C.-to-Focus-on-New-and-Innovative-Therapies-for-Cancer-Patients

likely many of those cases perhaps could have been avoided if Spectrum had upheld its disclosure obligations to study subjects). That is, not only clinical trial study subjects, but cancer patients that have received Rolvedon since it was (evidently, wrongfully) approved by the FDA.

BHG is also cooperating as a witness in a False Claims Act lawsuit that is being pursued against the Company over these matters, which we believe will likely decimate Assertio's book value for equity; such decimation of equity value is likely to occur long before civil damages claimed by cancer patients or any other litigation. The federal False Claims Act not only carries possible treble damages over the collective amount of value extracted from the government as a result of fraud, but also carries sizable additional punitive damages for each individual claim, not to mention there is similar state-level legislation that presents *even further* liability exposure for Assertio. Far significant liability exposure for Assertio compared to the False Claims Act issue, stockholders can easily begin to imagine the colossal damages that every cancer patient who has received Rolvedon, after its approval, will likely claim (raw cost for the drug, punitive damages, and more). Such evidently endless breaches of fiduciary duties on the part of the Board have exposed Assertio to tremendous tort-related liability risk exposure (far beyond the evident False Claims Act liability) which we believe could have originally been contained to Spectrum, had the Board decided to act in the interests of investors rather than trying to effectively "cover up" their colossal Spectrum due diligence failures—but that did not happen. Investor call after investor call, the Board has clearly been far more concerned about finding a new acquisition rather than addressing the evident ongoing fraudulent conduct occurring under its oversight that could have ensured the survival of Assertio's investor interests. Talk about misplaced priorities…

The Spectrum illegalities BHG learned of in May 2024 from the First Spectrum Whistleblower are publicly included in court filings/documents, among other sources (if someone knew where to look, what data to compare, etc.). After the First Spectrum Whistleblower was terminated for her refusal to sign off on the Spectrum fraud, she understandably filed a wrongful termination suit against Spectrum. Spectrum, continuing its retaliation against the First Spectrum Whistleblower, filed a defamation suit against her in the State of Nevada—vindictively dragging her out-of-state, as though Spectrum had not harmed her enough already.[13] After the First Spectrum Whistleblower produced a mere sliver of the evidence in her possession, Spectrum voluntarily stipulated to dismiss its retaliatory lawsuit against the First Spectrum Whistleblower (effectively admitting they did not want to embarrass themselves any further in a public setting). The Spectrum Whistleblowers also have preserved and secured their records, even preserving those records in foreign countries, given their knowledge of what those records contain and what it would mean for Spectrum if the information ever saw the light of day. BHG has proactively had the Spectrum Whistleblowers make copies of these records so that they may be turned over to regulators (or other government officials), as we expect to receive such requests shortly after this public letter.

Significantly, after Spectrum voluntarily withdrew its defamation claims against the First Spectrum Whistleblower, Spectrum then made a series of effective "hush money" offers to the First Spectrum Whistleblower, whereby she would sign an agreement, receive a sum of cash, would agree to not speak to anyone further about the issues, and would turn over all Spectrum records in her possession. Spectrum also wanted the First Spectrum Whistleblower to attest (as part of that effective "hush money" agreement) that no misconduct had ever occurred at Spectrum from the beginning of time to her knowledge, which would have been untrue. The First Spectrum Whistleblower has not accepted any settlements with the Company, despite these offers, and therefore never received any such money from Spectrum. Not only did Spectrum make such effective "hush money" offers to the First Spectrum Whistleblower before being acquired by Assertio, but Assertio—under the oversight of the Board—also made at least one similar

[13] *Spectrum Pharmaceuticals, Inc. v. Kellie Moore* (Clark County, NV Dist. Ct.—Case No. A-21-827343-C).

"hush money" offer to the First Spectrum Whistleblower after having acquired Spectrum. Of course, the "hush money" offers came to a grinding halt after BHG intervened, with the Board knowing they were caught red-handed.

While Assertio's leadership has continually claimed these corroborating allegations of the Spectrum Whistleblowers have "no merit," then why were they attempting to use stockholder funds to effectively purchase control of these Spectrum records from the First Spectrum Whistleblower? The Board has also continually claimed that those non-public records preserved by the Spectrum Whistleblowers (including some that have been sent directly to Assertio's leadership, *and were never responded to*), if ever seen publicly, would severely damage the Company, so apparently the Board recognizes there are serious problems at hand. The Board acts as if the damning non-public evidence preserved by the Spectrum Whistleblowers are trade secrets, when that is not the case—the Board simply (*clearly*) knows that this information about its business operations is damning, which is not the same as trade secrets (any details about a company's fraudulent activities could then be considered "trade secrets"). Unfortunately for the Board, even if it had a non-disclosure agreement with an internal whistleblower (*any* whistleblower), such an agreement would be unenforceable if its effects would be contrary to public policy—clearly, it is not in the public's interest for these matters to be "covered up" by the Board anymore, and certainly not if it would result in the victimizing of *cancer patients*, not to mention the defrauding of investors. It is clearly in the public interest that these matters be brought to light, since no regulatory action has been taken thus far and cancer patients are still being put in danger under the oversight of the Board and its purely self-interested lack of action concerning such serious matters.

We have heard that some stakeholders are fond of Board member Heather Mason, but she—in fact—oversaw at least one of the "hush money" offers to the First Spectrum Whistleblower, while she was serving as Interim CEO of Assertio. That is not an honorable business leader in BHG's book. This is the very reason that BHG demanded Ms. Mason resign in our last press release on July 24, 2024. More pointedly, the entire Board (apart from Mr. O'Grady) oversaw at least one of the "hush money" offers to the First Spectrum Whistleblower.

BHG also demanded that Dr. Jeffrey Vacirca resign from the Board in our press release of July 24, 2024, given that he was on Spectrum's pre-acquisition board of directors even before the filing of Rolvedon/Rolontis BLA #1, at the time the First Spectrum Whistleblower was sounding the alarm to Spectrum's pre-acquisition Chairman, William Ashton, over the fraudulent activity she was witnessing at Spectrum. Dr. Vacirca also serves on numerous boards of directors, including that of the New York Cancer Foundation (as its *Chairman*, in fact). We do not believe the evident defrauding of cancer patients at Spectrum is something that would be in alignment with the mission of that cancer-focused charity. According to Mr. Vacirca's LinkedIn profile, he also serves on the boards of Annexus Health, PatientPoint, and OneOncology. We are not convinced Dr. Vacirca's primary goal is the wellness of cancer patients, given he has continued to remain on Assertio's Board (as well as Spectrum's, since 2018) as all of the Spectrum research misconduct has been coming to light (even before the First Spectrum Whistleblower began repeatedly reporting these matters to Spectrum's leadership and Compliance Department).

We suspect the Spectrum fraud could be why former Board member James Tyree resigned in protest, although his note filed with the U.S. SEC (as part of the Company's April 2, 2024, Form 8-K disclosure announcing Mr. Tyree's resignation in protest) did not indicate as such. We do not buy Mr. Tyree's resignation in protest was primarily due to Board Chairman Peter Staple failing to realize he is too dated of a fixture to continue serving on the Board. We now know why the Board likely had no choice but to continue with Mr. Staple as Chairman (surely, none of the other directors would agree to take ultimate ownership of the improper actions by the Board), and why Mr. Staple would not wish to relinquish ultimate leadership of the Board, in light of the Spectrum

misconduct that Assertio's leadership has been trying to keep under wraps, even as it has been slowly leaking out publicly (again, if stockholders knew where to look).

Further, while Mr. O'Grady was not a Board member at the time of the "hush money" offers to the First Spectrum Whistleblower, he apparently has received *further* evidence of the Spectrum fraud, personally, over the past months (via private e-mails from the First Spectrum Whistleblower), yet has apparently opted to turn a blind eye to it. Mr. O'Grady *never even responded* to the First Spectrum Whistleblower to ask for any clarification or any further evidence available, even as the Board was simultaneously and inappropriately asking BHG for the Spectrum Whistleblowers' non-public evidence. Clearly, Mr. O'Grady did not genuinely wish to see that evidence, even as it was being spoon-fed to him.

For the record, the Spectrum Whistleblowers have never given their non-public evidence to BHG, and have only provided it to the outside counsel engaged by BHG to conduct an independent investigation of the Spectrum Whistleblowers' claims. Therefore, as we have repeatedly made clear to the Board over the course of its continued disingenuous requests for that non-public evidence, BHG is not the entity to be asked for the Spectrum Whistleblowers' evidence.

Mr. O'Grady has also continued to sign off on quarterly reports filed with the U.S. SEC, in which he has certified no material omissions of disclosure, which—in our view—clearly run afoul of his obligations as a certifying officer under 18 U.S.C. § 1350 (as BHG firmly alleged in our private letters to the Board). Based on the foregoing, we believe Mr. O'Grady's recent public statement at the October 15, 2024, Maxim Group Healthcare Virtual Summit (a recording of which can be obtained from Bloomberg), where he said he believed Assertio's stock was more likely to climb from $1/share to $2/share, than drop from $1/share to $0/share, was *more than* disingenuous. This statement not only indicated an utter act of desperation to try to artificially prop Assertio's stock price (in the face of BHG's intervention and the Spectrum research misconduct being continually waved in his face), but was particularly disingenuous (in light of Mr. O'Grady personally being sent further communications/evidence related to the Spectrum fraud, to which he did not respond to). We have demanded, numerous times, that Mr. O'Grady resign to show he is on the right side of these matters, but that has not happened.

Attached to this letter, we are enclosing all communications BHG has had with Assertio's Board and management since the start of our attempt to bring value to all Assertio stockholders. Assertio's investors will see the extreme lengths BHG went to in the hope that Assertio's Board would correct course and even just speak with us about these issues (rather than continuing to hide behind their lawyers, knowing they were caught). Among other things, we:

- Threatened to speak with the Company's auditor (Grant Thornton LLP, which we believe has an obligation to resign *immediately*, given the clear ongoing failures of Assertio's Board and management to uphold their obligations under Principles 1 and 2 of the COSO Framework). If the Board were *actually* upholding their ethical obligations and *actually* independent from management, the Board would have conducted an *actual* investigation into these issues (and would not be ignoring them). The Board's failure to uphold its ethical duties and its collusion with management is thereby abundantly clear to BHG;
- Provided written notice that the Board needed to turn our private communications (and those of all whistleblowers) over to their insurance carriers and to Grant Thornton (which we suspect they did not do, and we believe that would implicate and constitute this leadership's misleading their auditors);
- Advised the Board they were apparently accepting personal liability in these matters, multiple times; and

- Pulled a multitude of other "stops," in hopes the Board would actually begin upholding its fiduciary duties.

Instead of acting honorably and in accordance with their fiduciary duties:

- **At first, Assertio's Board and management denied even mere knowledge of the whistleblowers' allegations, which was far from the truth.** Assertio's Chief Legal Officer, Sam Schlessinger, initially claimed it was "unfair" that BHG knew of the Spectrum Whistleblowers' allegations, and that he and the Board did not know of such allegations. He also said that BHG should just trust the Board to investigate any such issues, even though they had already clearly, massively failed in their pre-acquisition investigation (due diligence) related to Spectrum. The Board's pre-acquisition due diligence for Spectrum is when all of these matters should have been discovered (they could have simply called the First Spectrum Whistleblower, which the Board had to have known was already suing Spectrum for wrongful termination over these matters).

  BHG explained the Spectrum Whistleblowers' allegations to Mr. Schlessinger in far enough detail that it certainly should have prompted Mr. Schlessinger's recollection of the matters. In fact, Mr. Schlessinger was directly addressed by the First Spectrum Whistleblower, in a September 2023 private message. This was almost immediately after Assertio closed on the Spectrum acquisition, and nearly two months before Assertio suspiciously admitted Spectrum was worth approximately 75% less than Assertio's Board and management initially thought).

  Days after Mr. Schlessinger feigned ignorance over the Spectrum misconduct matters, BHG informed him that he was *well aware* of everything he had just denied knowledge of.

  Days after apparently realizing he was caught in a false representation to one of the Company's public investors (BHG), Mr. Schlessinger then said a "*thorough investigation*" of the First Spectrum Whistleblower's allegations had *already been conducted* by the Company (after just, days before, having said that the Board should just be trusted by BHG to complete an investigation, indicating it never happened), and that the allegations supposedly had "no merit." Given these false representations by Mr. Schlessinger, we informed him that—in light of false representations to a public investor—we would be reporting him to the Illinois Attorney Registration and Disciplinary Commission (in hopes that Assertio's leadership would begin correcting course, coming clean, and actually begin addressing these matters in accordance with their fiduciary duties).

- **Assertio's Board and Management falsely claimed a "thorough investigation" of the First Spectrum Whistleblower's claims resulted in a finding of "no merit" to the allegations, *without ever having spoken to the First Spectrum Whistleblower*, and *never having asked the First Spectrum Whistleblower for any and all evidence supporting her very detailed allegations*.** Again, Assertio's leadership has never replied to a single e-mail/letter from the First Spectrum Whistleblower (never even asking her for her evidence in support of her allegations), yet claims to have conducted a "thorough investigation."[14] We bid good luck to the Board when they are asked by regulators (or other government officials) how they investigated such serious allegations of misconduct by a whistleblower, without even

[14] The only "message" the First Spectrum Whistleblower has received was not from Assertio's leadership, but a virtual autoreply from Assertio's Compliance Department, which did not address the issues raised, yet again—entirely beating "around the bush," nor did it ask for all evidence in her possession to conduct a "thorough investigation." That "message" is released alongside this public letter.

having talked to the whistleblower, and without having even asked the whistleblower for the evidence supporting her allegations. That is not a path to plausible deniability, but rather to personal liability.

The First Spectrum Whistleblower has, again, been *continuing* to drop pieces of evidence into the laps of Assertio's leadership (even Mr. O'Grady, personally) over recent months, and Assertio's leadership has *never* responded to *any* messages, even still. The Company has continued their fallacious requests that BHG turn over all of the First Spectrum Whistleblower's evidence, when they know there is only one way to get it—from the source. Clearly, Assertio's Board and management realized they were caught claiming a "thorough investigation" had occurred, when it was a sham investigation at best. Very clearly, the Assertio Board and management's choice of response was to write down Spectrum massively (distracting with a basket of other write-downs at the same time), simply hoping that no one would realize their accounting disclosures were not the least bit logical. Unfortunate for the Board, BHG did realize it.

- **Endlessly gaslighted BHG about the Spectrum write-downs and what *actually* triggered those admissions of massively overpaying for Rolvedon and other assets.** Given that Mr. Schlessinger became aware of these issues in September 2023, it is also apparent to us that the First Spectrum Whistleblower's note to Mr. Schlessinger is what caused the Company to admit Spectrum was worth ~75% less than what they initially bought it for—necessitated of course, because of the major asset integrity issues that they knew could easily result in the FDA revoking the Rolvedon/Rolontis approval (which would certainly have caused a massive cut to the expected cash flow forecasts for Rolvedon, just as the impairment charge indicated), given that it was only being approved as a result of Spectrum's tampered clinical data submission to the FDA. It is also then clear to us that Assertio's leadership thought writing down multiple other assets at the same time would distract from the major write-down related to Spectrum.

  In the May 7 Meeting (between BHG and Assertio's Audit Committee Chair and CFO), BHG recognized there was something very rotten afoot after Messrs. Emany and Patel suspiciously could not explain what changed their cash flow forecasts for Rolvedon so materially that it would warrant a ~75% write-down. Both CPAs also could not explain how they could peg the values of assets based on the Company's equity market capitalization in the face of such material contingent liability interference already existing (the equity market attempting to price in numerous contingent factors related to litigation, between possible fear of inadequate insurance for the Company's opioid-related litigation, potential settlement values for that litigation, fear of whether the liability exposure would eventually possibly be implicated and borne at the parent company level, and otherwise). BHG's independent forensic accountants had *no issue* understanding BHG and why we knew there was an underlying reason for Rolvedon's cash flow forecasts being cut so significantly, and Messrs. Emany and Patel's inability to articulate adequate reasons for the write-down in that meeting with BHG gave away they were hiding the real reason for those cash significant cash flow forecast reductions. Unfortunately for Messrs. Emany and Patel, BHG investigated enough to find out itself what they did not wish to tell BHG.

  As a related side note to this item (to further make clear the lack of authenticity of Assertio's disclosures to investors): At the time of the closed-door May 7 Meeting (between BHG and Assertio's Audit Committee Chair and CFO), the Company's stock was—yet again—trading significantly below the then-current book value for equity. Such a valuation discrepancy was the very basis (though illogical, under such circumstances of material contingent liability interference) that Assertio cited as a reliable indicator of asset value impairment. That was the claimed basis for asset values needing to be

written down so massively, *immediately* after the Spectrum acquisition. At the time of the May 7 Meeting, Assertio's stock was—yet again—trading significantly below Assertio leadership's book value for equity. More specifically, Assertio's stock price, on May 7, 2024, was trading ~32% below the Company's GAAP book value. To really make clear Messrs. Emany and Patel had been feeding public investors "a line" (and to make clear they did not actually believe that was a reliable indicator of asset value impairment), BHG asked both (along the lines of), "S*o, since Assertio's stock is trading significantly below its book value now, too… you are going to take another impairment charge to bring the book value in line with the open market capitalization of equity again, right*?" Of course, Messrs. Emany and Patel were fumbling over their words, *yet again*. Then, Assertio *did not* take an impairment charge in the midst of such another major discrepancy between the market capitalization for Assertio's stock and the Company's GAAP book value for equity, despite Assertio's Board and management *already having claimed* they deemed that to be a reliable indicator of asset value impairment.

Why is this cherry-picking of whether to follow already-stated accounting policies/beliefs so important? It makes clear that there was a deeper reason for requiring the massive Spectrum write-down—a reason never disclosed by Assertio's Board and management, but now BHG has enlightened all other stockholders as to that reason. Messrs. Emany and Patel were simply "playing dumb" at the time of the May 7 Meeting. It is abundantly clear to BHG that if Assertio's Board and management had fully disclosed the Spectrum misconduct matters thoroughly discussed by BHG in this letter today, then they would not need to be engaging in such evident flim-flam accounting and illogical financial disclosures to continue keeping the Spectrum matters under wraps. Assertio's Board and management may have gotten away with such smoke and mirrors with their financial disclosures up until BHG entered the scene, but that will end with this letter.

- **Assertio's Board desperately tried to claim that I, personally, wanted a board seat for financial gain, when BHG's first offer involved myself serving for *zero* cash compensation.** This has nothing to do with the Spectrum matters, but just goes to show how Assertio's Board continually acts in bad faith and that its claims/arguments cannot be trusted to be genuine. After Assertio's Board lobbed this personal accusation more than once, BHG—to prove the Board's bad faith—said that we would give the Company five days to offer a cooperation agreement that would include myself serving on the Board for *zero compensation* (no cash, no equity), and—guess what!—that did not happen. Beyond illustrating the Board's fallacious arguments/claims, this just further illustrates how bad the situation at Assertio/Spectrum is—Assertio's leadership wants no one seeing what is happening behind closed doors, knowing what they have been keeping under wraps. Assertio's leadership did not want *any* of BHG's (informally suggested) director nominees on the Board, including—tellingly—a Certified Fraud Examiner, sporting a credential no one on the Board has, and in the face of multiple internal and external whistleblowers alleging fraud at Assertio.

- **Desperately and falsely suggesting that BHG was a short seller from the start, when we have been, among other things, demanding to know why Assertio's leadership implied the existence of materially positive financial circumstances that were never disclosed—something far from in the interest of a short seller.** Though we believe this was yet another false representation to the Company's public investors (i.e., we do not believe there are actually any materially positive financial circumstances related to asset values, but rather the very opposite), a short seller would never be interested in a company disclosing materially positive financial circumstances. To be clear on this issue, BHG had—in particular—asked in our first letter to the Company if Assertio's leadership was aware of its asset values having a fair value materially higher than was represented in the Company's GAAP

financial disclosures filed with the U.S. SEC.[15] The Company, in response to that question, cited Regulation FD, which indicated that the answer to that question would have, indeed, been material. If Assertio's leadership was not aware of any material undisclosed asset value, then the answer would not have been material and should have been a simple "no." Moreover, in the May 7 Meeting, BHG brought up the Company's citation of Regulation FD, and Messrs. Emany and Patel's response was that they thought BHG wanted to know "*the number*." BHG then, mortified, issued a response along the lines of "*you know a material number, and you have not disclosed it?!*" BHG then informed Messrs. Emany and Patel that any such material knowledge would be something that a "prudent investor ought to know," not represented within the Company's GAAP financial reporting (while insiders would have been trading on that knowledge of undisclosed financial circumstances cited as material). That then implicated the Company in a violation of the Company's disclosure obligations under Regulation S-X and possible insider trading while in possession of purportedly material, yet undisclosed financial circumstances. Messrs. Emany and Patel then claimed to not be aware such material knowledge would have had to be disclosed under Regulation S-X, if they knew of a "*number*." This was the point from which Assertio's leadership began desperately contriving BHG being a cloaked short seller, when we advised the Company that this implicated failure to disclose materially positive financial circumstances was then defrauding short sellers, since disclosure of such positive information would have been for the very benefit of *stockholders* (a failure to disclose knowledge of such materially positive circumstances means stockholders would have been trading in the open market at then-likely artificially depressed prices, in light of such implicated material disclosure failures). Thus, BHG did not understand why such materially positive financial circumstances were being withheld from investors. Clearly, BHG was not a short seller if we demanded the disclosure of circumstances Assertio's leadership implied were materially positive—that would not have been in the interests of a short seller.

This all said, we believe the Company's citation of Regulation FD was not because materially positive financial circumstances actually existed, but rather, because the Company did not wish to answer BHG's questions surrounding asset values altogether, given they knew there was more to the story than Assertio's Board and management had disclosed at the time of the massive Spectrum write-down. By implying that materially positive financial circumstances existed to BHG, when they did not, also constituted *yet another* instance of apparent securities fraud on the part of Assertio's leadership—enticing BHG to acquire further shares by implying that the fair values of assets materially exceeded their book values, and that Assertio's Audit Committee Chair and CFO apparently even knew of a "*number*."

- **Continued desperately painting BHG as a likely short seller, even after we submitted proof of our shareholdings.** At this point, the Company then even preposterously tried to disregard one of the brokerage accounts submitted as proof of our long position, in an attempt to claim that BHG held less than one-half percent of the Company's outstanding equity shares. The Company also continued trying to paint the picture of BHG being a short seller, even after admitting knowledge that BHG was a stockholder of record (a required admission, given that BHG had a block of our equity shares transferred

[15] As discussed in BHG's May 17, 2024, press release, GAAP accounting (in particular, ASC 350/360, which governs the accounting of assets including definite-lived intangible assets, indefinite-lived intangible assets, and property, plant and equipment assets) does not permit the book values of such assets to be marked up where the fair value of an asset exceeds its book value. As an example, a building could be acquired by a company for $1 million, could have a fair value of $2 million 5 years after being acquired, when there would be $1 million in asset value not represented within such a company's GAAP financial reporting.

to, held with, and registered directly with the Company's transfer agent).

- **Assertio's Board and management continued burying their heads in the sand *even after* BHG advised the Board that the *Spectrum Whistleblowers have now recently received inquiries from the U.S. Department of Health & Human Services (HHS) (the effective enforcement division of the FDA, which has an interagency cooperation agreement with the FDA) and the Centers for Medicare & Medicaid Services' (CMS) "Medicare Drug Integrity Unit."***

  BHG then even more firmly demanded the Board address the Spectrum fraud matters immediately, given the obvious increased risk that the Company was under formal investigation by HHS and could/would/will be shut down at any moment (partially or entirely, but now we believe entirely, given such a bad-faith response to the serious matters at Spectrum by its parent company, Assertio).

  As most know, HHS—for good reason—generally does not give a warning before they shut down a fraudulent pharmaceutical operation, nor do we think they would here, *especially* after reading this letter detailing such appalling conduct by Assertio's fiduciaries. We believe Assertio's days are numbered after HHS sees this public letter—HHS *absolutely* needs to take forceful action against the Company, in the name of the safety of cancer patients. We believe that Spectrum may have already purged many of the records that have been preserved by the Spectrum Whistleblowers. BHG has done its part of the job by bringing these matters to light in such a way that we should be able to rest assured HHS should be seeing and acting on them.

* * *

We are going to close this communication, as the attached paper trail of private communications between the Board and BHG will paint the rest of the picture. Stockholders may continue reading if they have not already heard enough as to why we believe they should immediately collect any amount of money they can for their shares in the open market (by selling them), given—in our view, after our extensive research and communications with the Board—it would be an utter miracle if Assertio's equity interests do not already have a far negative value (investors can imagine the value of unasserted claims related to these matters, likely to now be imminently asserted against the Company by a multitude of parties, including cancer patients and their grieving families). Again, reasonable minds will quickly realize the exorbitant amount of civil damages that would likely be awarded by a jury to cancer victims and their grieving families, when a pharmaceutical company promised *in writing* to inform them of something that could cause them to want to withdraw from a clinical trial, and then withheld disclosure of data reporting the proliferation of pre-cancerous oncolytic blood blasts immediately after being dosed with the Rolontis/Rolvedon study drug (again, Spectrum not only withheld the disclosure from the study subjects, *but from their doctors*, as well). Also, as noted, not just study subjects were never informed that, after receiving Rolvedon, Spectrum was observing the development of pre-cancerous oncolytic blood blasts, resulting in leaving every cancer patient who has been treated with Rolvedon (after its evidently wrongful approval) to then have a possible claim against the Company. Reasonable minds can easily conclude a jury would award a substantial amount for those defrauded cancer victims and their families. Moreover, again, the Company still faces a swath of opioid-related litigation, in addition to the entirely unrelated False Claims Act suit unsealed less than one quarter before this letter, which we do not even think needs to be considered before stockholders will agree with our analysis of the Company's *real* financial condition.

We cannot even express how much it saddens us that this situation has gotten to this point, where we do not believe the Company's equity value will survive even the next annual meeting (especially given the likelihood

regulators will determine it necessary to forcibly shut the Company down). We highly doubt the Board will allow their replacement at an annual meeting of stockholders before they can hide behind the "shield" of bankruptcy to ensure they receive the broadest releases from civil liability in these matters possible. It is apparent to us that the Board was misled as part of its acquisition of Spectrum (clearly, this Board is entirely incapable of conducting adequate due diligence, or did not care enough to do so when spending "other people's money"). However, rather than admitting to its colossal due diligence failures, Assertio's Board and management came up with a cockamamie explanation for its massive impairment charges disclosed immediately after Assertio's acquisition of Spectrum, hoping that no one would catch on. It is clear to BHG that Assertio's Board and management thought that no one would ask the questions that BHG did, and that they opted to selfishly continue siphoning massive director compensation out of the Company's coffers rather than come clean about their mistakes, knowing that they would almost surely have been ousted by stockholders.

BHG endlessly pressed the Board to act in accordance with its fiduciary duties, which would have clearly meant pursuing Spectrum's pre-acquisition leadership for the evident fraud, but that would have meant the Board admitting significant personal, possibly career-ending due diligence failures. It is our hope that the U.S. SEC will not allow a *single member* of Assertio's Board (or management) to serve in a fiduciary capacity in the future at *any* public company, as we believe they would be a danger to any public company and its investors, given such evident betrayals. We believe a director-officer bar for each remaining member of the Board is absolutely necessary under such egregious circumstances. It goes without saying we think the same of Spectrum's pre-acquisition board members and management.

Stockholders can rest assured that BHG will speak with any class-action investor protection firms (or those that may wish to represent cancer patients having received Rolvedon) that may reach out (and who may wish for our support as a witness in litigation for a means of recovering Assertio investor losses given these matters laid on a silver platter) after viewing this letter and the accompanying press release. We have also filed a whistleblower report with the U.S. SEC and will support any investigation (or any investigations by other government agencies, including FDA/HHS/CMS) into the Company and Board as much as we possibly can, just as BHG has supported government investigations in other cases of investor deception that we have investigated and exposed.

We believe this case is a prime example as to why investors need to be *far* more diligent in analyzing the disclosures of public companies. It is incomprehensible to BHG why investors broadly do not apply the same level of due diligence (including questioning of fiduciaries) with public companies as is standard with private companies. The existence of an auditor should not negate any due diligence over an investment—case in point here. Auditors do not have "skin in the game," do not have a fiduciary duty, and—bottom line—a company's fiduciaries are ultimately responsible for the accuracy of financial disclosures—not the auditor.

Before closing, we warn the Board that any public response denying these matters (or attacking any whistleblowers) will greatly backfire, and if the Board is so brazen as to initiate any litigation over these matters, BHG will take full advantage of the automatically granted discovery privileges (though, we are confident at this point that the Spectrum Whistleblowers probably have far more evidence in their possession than we could ever obtain through discovery, given the evident history of data tampering at Spectrum). If any such public response is asserted by the Board, we will also then begin releasing pieces of evidence to reinforce who the honest ones are in this situation[16]—that is, clearly BHG.

[16] This evidence includes recent e-mails from the First Spectrum Whistleblower to Assertio's leadership, dropping further evidence of these matters into their laps that continued to be ignored.

The Board should also not make a bigger fool out of itself by asking for the Spectrum Whistleblowers' extensive troves of non-public evidence, only after this letter. Those records, ignored by the Board all thus far, will be provided to regulators (or any other government official who seeks them), and the Board is *beyond* hopelessly conflicted in investigating any of these matters anyhow, leaving them with no legitimate use for those non-public records preserved by the Spectrum Whistleblowers. The Board is also *absolutely* and hopelessly conflicted in the selection of any new Board members. Assertio's Board and management should resign in disgrace if they have any conscience.

We also warn Assertio's leadership, should it proceed with the Company's proposed earnings call scheduled for the coming days, that we are going to publicly rip any continued misstatements to shreds (just as we did with Mallinckrodt, when they failed to heed our warning to avoid continuance of unwise public statements) if the Board is so foolish as to allow management to proceed with it. We do not believe Assertio's management will be able to avoid implicating the Board further in these matters through less-than-thought-out verbal statements, and the *last* thing the Board needs is more evidence of their apparent personal liability in these matters. With respect to the Company's scheduled earnings announcement, we do not see how these matters coming to light, so publicly, will not materially impact its financial statements, thereby requiring a significant re-analysis before the filing of the Company's imminently due quarterly report with the U.S. SEC (Assertio absolutely needs to extensively consult Grant Thornton after this letter being made public)—a level of careful re-analysis which we are confident any auditor (and we believe will result in a *far further* write-down of Rolvedon) would agree is impossible to take place over a period of four or so days.

With immense sorrow for the anticipated fate of Assertio, we sign off. We hope stockholders can see we did absolutely everything that we conceivably could.

Very Truly Yours,

Alexander E. Parker
Senior Managing Director
The Buxton Helmsley Group, Inc.

Cc: Peter Staple (Chairman, Assertio Holdings, Inc.)
William T. Mckee (Director, Assertio Holdings, Inc.)
Heather L. Mason (Director, Assertio Holdings, Inc.)
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Matthew Kreps (Investor Relations Officer, Assertio Holdings, Inc.)

Disclosure: We hold a short position in the securities of ASSERTIO HOLDINGS, INC. (NASDAQ:ASRT)

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