

**UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS**

**KB PARTNERS I, L.P., Individually and On Behalf of
All Others Similarly Situated,**

Plaintiffs,

-against-

**PAIN THERAPEUTICS, INC., REMI BARBIER,
NADAV FRIEDMANN, and PETER S. RODDY,**

Defendants.

Case No. 1-11-CV-01034 (SS)

NOTICE OF PENDENCY OF CLASS ACTION

**PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.
YOUR RIGHTS MAY BE AFFECTED BY PROCEEDINGS IN THIS ACTION.**

TO: ALL PURCHASERS OF THE COMMON STOCK OF PAIN THERAPEUTICS, INC., DURING THE PERIOD FROM DECEMBER 27, 2010 AND JUNE 26, 2011, BOTH DATES INCLUSIVE (THE “CLASS PERIOD”).

Excluded from the Class are defendants, officers and directors of Pain Therapeutics, Inc., members of their immediate families, heirs, successors or assigns, and any entity in which defendants have or had a controlling interest.

PLEASE NOTE: THIS CASE HAS NOT BEEN SETTLED. THIS NOTICE IS INTENDED ONLY TO INFORM YOU THAT A CLASS ACTION IS CURRENTLY IN PROGRESS. THERE IS NO CLAIM FORM TO BE MAILED.

This Notice is issued pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Western District of Texas (the “Court”), entered June 4, 2013, certifying the above action as a Class Action. The purpose of this Notice is to inform you of: (a) the pendency of the captioned class action before the Honorable Sam Sparks, in the United States District Court for the Western District of Texas (the “Action”); (b) the certification of the Class defined above, of which you may be a member (“Class Member”); and (c) your right to be excluded from the Class. This Action has not been settled and continues to be litigated. Accordingly, no claim form need be filed at this time.

If you purchased shares of Pain Therapeutics Inc. common stock during the period of December 27, 2010 through June 26, 2011, both dates inclusive, you may be a member of the Class. As a Class Member, you will be bound by the result of any trial of the Action, any judgment entered by the Court, and any determination made by the Court, unless you timely mail a request for exclusion, as described below, postmarked no later than September 25, 2015.

DESCRIPTION OF THE ACTION

Summary of the Action

The Class Representative in this action is KB Partners I, L.P., which the Court has appointed to represent the Class.

The Defendants in this action are Pain Therapeutics, Inc. (“Pain Therapeutics” or the “Company”) and certain of Pain Therapeutics’ officers and directors: Remi Barbier, Nadav Friedmann, and Peter S. Roddy, (the “Individual Defendants” and collectively with Pain Therapeutics, the “Defendants”).

The Second Amended Complaint (“Complaint”) alleges that, during the Class Period, Defendants made false and/or misleading statements and/or failed to disclose material facts about a new drug, REMOXY, and the Company’s efforts to secure FDA approval for REMOXY. Specifically, the Complaint alleges that Defendants continuously misled investors by detailing their efforts to secure FDA approval for REMOXY and stating that the Company’s New Drug Application (“NDA”), submitted to the FDA in 2010, responded to the issues that caused the FDA to reject a prior REMOXY NDA, but failed to disclose specific known flaws in the submitted data which threatened approval.

On May 3, 2011, in a conference call with analysts, Pfizer stated that it was “working to address a specific issue in the manufacturing section of the application” PTIE stock thereafter declined \$0.70, or more than 7%, to close at \$8.86 on May 3, 2011.

The Complaint alleges that on June 24, 2011, the Company announced that it had received a Complete Response Letter from the FDA rejecting REMOXY for the second time, but did not reveal the reasons for the rejection. PTIE shares declined an additional \$3.94 per share, or nearly 43%, to close at \$5.30 per share on June 24, 2011.

According to the Complaint, on June 27, 2011, the Company disclosed that the FDA’s Complete Response Letter raised concerns related to, among other things, the chemistry, manufacturing, and controls sections of the REMOXY NDA. PTIE shares thereafter declined an additional \$1.37 per share, nearly 26%, to close at \$3.93 per share that day.

The Defendants have denied all claims and wrongdoing asserted in the Complaint and any liability arising out of the conduct alleged therein. No trial has yet occurred in this Action and no findings of fault or liability have been made as to any of the parties.

Prosecution of the Action

This action was commenced on December 2, 2011. On April 9, 2012, the Court appointed KB Partners I, L.P. as Lead Plaintiff. Lead Plaintiff filed an Amended Complaint on June 8, 2012. In response, Defendants moved to dismiss Lead Plaintiff's claims. The Court granted Defendants' motion on September 26, 2012. Lead Plaintiff filed a Second Amended Complaint on October 15, 2012. Defendants once again moved to dismiss on October 29, 2012. The Court denied Defendants' motion on November 20, 2012. *See KB Partners I, L.P. v. Barbier*, 907 F. Supp. 2d 826 (W.D. Tex. 2012).

On December 4, 2012, Defendants filed their Answer to the Second Amended Complaint, denying all claims and wrongdoing asserted, as well as any liability arising out of the conduct alleged in the Second Amended Complaint. The Defendants also asserted certain affirmative defenses to the claims made in the Second Amended Complaint, including that any injury suffered by Class Members was not caused by the Defendants' conduct.

By order dated June 4, 2013, the Court certified the Class, as defined above, appointed K.B. Partners I, L.P. as the Class Representative and Pomerantz LLP as Class Counsel. *See KB Partners I, L.P. v. Barbier*, A-11-CA-1034-SS, 2013 WL 2443217 (W.D. Tex. June 4, 2013). Certification of the Class means that the action is legally recognized as a Class Action pursuant to Rule 23 of the Federal Rules of Civil Procedure.

Discovery is ongoing. The discovery cutoff in this case is October 5, 2016. The Court has set the deadline for filing summary judgment motions at December 5, 2016. If the Court denies any such motions that may be filed, a trial is scheduled in this Action for March 2017.

This Notice is being sent to notify you that you may be a member of the Class whose rights could be affected by this Action. It is not an expression of any opinion by the Court concerning the merits of the Action. There is no assurance that a judgment in favor of the Class will be granted. This Notice is intended to advise you of the pendency of the Action and of your rights with respect to the Action, including the right either to remain a Class Member or to exclude yourself from the Class.

INSTRUCTIONS TO CLASS MEMBERS

If you fit the description of a Class Member, you have a choice whether or not to remain a member of the Class on whose behalf this Action is being maintained.

If you wish to remain a Class Member, you are not required to do anything at this time. If you do nothing, you will remain a Class Member and will be bound by the result of any trial, judgment and determination of the Court, whether favorable or unfavorable to Plaintiffs. If you choose to remain in the Class, you will not be able to pursue a lawsuit on your own with regard to any of the issues that were or could have been decided in this Action. If you remain in the Class, you are not personally responsible for any expenses or attorneys' fees. If there is a recovery, you may be entitled to share in the proceeds, less costs, expenses, plaintiff reimbursement award and attorneys' fees as the Court may allow out of any recovery.

There is no settlement or judgment in the case at this time. In the event of recovery, you will only be able to share in a recovery in this case if you are a member of the Class and if you did not sell your Pain Therapeutics stock prior to May 3, 2011.

The Class is represented by:

Tamar A. Weinrib, Esq.
Pomerantz LLP
600 Third Avenue
20th Floor
New York, New York 10016
Telephone: 1-212-661-1100

Patrick V. Dahlstrom, Esq.
Pomerantz LLP
Ten South La Salle Street
Suite 3505
Chicago, Illinois 60302
Telephone: 1-312-377-1181

If you desire to be excluded from the Class, you must state so **in writing**. Your request for exclusion must state: your desire to be excluded from the Class, the name and address of the person or entity requesting exclusion, that such person or entity requests exclusion from the Class in this Action, the number of Pain Therapeutics, Inc. shares purchased and the date the Pain Therapeutics, Inc. shares were purchased, and must be signed by that person or entity requesting exclusion from the Class. Requests for exclusion must be transmitted by first class mail or overnight delivery service to the following address:

Pain Therapeutics, Inc. Securities Litigation
Notice Administrator
c/o KCC Class Action Services
PO Box 43372
Providence, RI 02940-3372

To be effective, your Request for exclusion must be postmarked no later than September 25, 2015

If you wish to participate in this Action, do not request exclusion. If you exclude yourself from the Class, you will not be bound by any judgment or decision by the Court in this Action, but you will also not be entitled to share in the benefits of any judgment favorable to the Class or from any Court-approved settlement that may be entered into on behalf of the Class. If you request exclusion, you would be entitled to pursue any individual remedy which you may have, but only at your own expense.

Your Right to Appear

If you do not request exclusion from the Class in the manner set forth above, you may, if you so desire, enter an appearance through an attorney of your own choice. If you wish, you may also consult with your own counsel concerning your rights in this action.

If you do not timely request exclusion from the Class postmarked by September 25, 2015, you will be considered a Class Member, and you will be bound by any judgment in this Action and will not be able to pursue any individual remedy which you may have.

NOTICE TO BANKS, BROKERS AND OTHER NOMINEES

The Court has ordered that if you held any Pain Therapeutics, Inc. common stock, CUSIP 69562k100, purchased during the Class Period as nominee for a beneficial owner, then, within ten (10) days after you receive this Notice, you must either: (1) provide a list of the names and addresses of such beneficial owners to the Claims Administrator, preferably in an MS Excel data table setting forth: (a) title/registration, (b) street address, (c) city/state/zip; on electronic mailing labels in MS Word file (label size Avery #5162), or printed out on physical mailing labels; or (2) send copies of this Notice and Proof of Claim by first class mail to all such beneficial owners, providing written confirmation to the Claims Administrator of having done so.

If you choose to mail the Notice yourself, you may obtain (without cost to you) as many additional copies of these documents as you will need to complete the mailing by either downloading a copy from the Claims Administrator's website, or by contacting the Claims Administrator at:

Pain Therapeutics, Inc. Securities Litigation
c/o KCC Class Action Services
PO Box 43372
Providence, RI 02940-3372
1-866-348-7651
nominees@paintherapeuticslitigation.com
www.paintherapeuticslitigation.com

Whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for reasonable administrative costs of complying with this provision, upon submission of appropriate documentation to the Claims Administrator.

EXAMINATION OF PAPERS AND INQUIRIES

For further information about the Actions, you may contact Lead Counsel at the addresses listed above or consult the pleadings and other papers filed in the Actions at the Office of the Clerk of the United States District Court for the Western District of Texas, 501 West Fifth Street, Suite 1100, Austin, Texas 78701, during normal business hours of each business day. If you have an account with PACER, you may consult the pleadings and other papers via Electronic Case Filing at the website of the Western District of Texas, <https://ecf.txwd.uscourts.gov>.

If you have any questions concerning this case or your membership in the Class please contact:

Pain Therapeutics, Inc. Securities Litigation
Notice Administrator
c/o KCC Class Action Services
PO Box 43372
Providence, RI 02940-3372
info@paintherapeuticslitigation.com
Telephone: 1-866-348-7651

INQUIRIES SHOULD NOT BE DIRECTED TO THE COURT, THE CLERK'S OFFICE, THE DEFENDANTS, OR DEFENDANTS' COUNSEL.

Dated: July 27, 2015

**By Order of the Court
United States District Court Western District of Texas**