

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA**

IN RE SEQUENOM, INC. SECURITIES
LITIGATION

Master File No. 3:09-cv-00921-LAB-WMC

This Document Relates To:
ALL ACTIONS

NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION (“NOTICE”)

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

PLEASE READ THIS NOTICE CAREFULLY!

THIS NOTICE EXPLAINS IMPORTANT RIGHTS YOU MAY HAVE INCLUDING YOUR POSSIBLE RECEIPT OF CASH AND STOCK FROM THE SETTLEMENT. YOUR LEGAL RIGHTS ARE AFFECTED WHETHER YOU DO OR DO NOT ACT. IN ORDER TO RECOVER FROM THE SETTLEMENT, YOU MUST FILE A PROOF OF CLAIM AND RELEASE *POSTMARKED ON OR BEFORE MAY 10, 2010.*

If you purchased the publicly traded common stock of Sequenom, Inc. (“Sequenom Common Stock”) during the period June 4, 2008 through April 29, 2009, inclusive (the “Settlement Class Period”), you are a member of the Settlement Class (“Settlement Class” or “Settlement Class Member”) and could get a payment from the Settlement described below.

1. **Statement of Settlement Class Members’ Recovery:** This Notice has been sent to you pursuant to an Order of the United States District Court for the Southern District of California (the “Court”) in the class actions consolidated under the caption *In re Sequenom, Inc. Securities Litigation*, No. 3:09-cv-00921-LAB-WMC (the “Class Action” or “Action”). The purpose of this Notice is to inform you of the proposed Settlement of the Class Action consisting of (i) \$14,000,000 in cash plus interest, (ii) shares of Sequenom Common Stock (“Settlement Shares”) amounting to, with certain exceptions, 9.95% of Sequenom, Inc.’s (“Sequenom” or the “Company”) shares after issuance of the Settlement Shares, and (iii) Sequenom’s agreement to adopt, or continue its implementation of certain changes, revisions, modifications and additions to the corporate governance policies, protocols and practices, which are described in Annex A attached to this Notice (“Corporate Governance Reforms”) (collectively, the “Settlement”). If the Settlement Shares were issued on February 4, 2010, Sequenom would be required to issue 6,816,743 shares. As of February 4, 2010, the Settlement Shares had a value of approximately \$29 million. Therefore, as of February 4, 2010 the Settlement had a value of approximately \$43 million. This Notice describes the rights you may have in connection with the Settlement, what steps you may take in relation to the Settlement, and provides information about the hearing that will be held by the Court to consider the fairness, reasonableness and adequacy of the Settlement. **In order to receive proceeds from the Settlement, you will need to file a Proof of Claim and Release.**

2. **Reasons for the Settlement:** The Settlement resolves claims against Defendants (as defined herein) in the Class Action regarding alleged violations of the federal securities laws. The Defendants deny all allegations of wrongdoing. In light of the amount of the Settlement and the immediacy of recovery to the Settlement Class Members, Lead Plaintiff, the Los Angeles City Employees’ Retirement System (“LACERS” or “Lead Plaintiff”) believes that the proposed Settlement is fair, reasonable and adequate, and in the best interests of the Settlement Class. The Settlement provides a substantial benefit, namely (i) \$14,000,000 in cash plus interest, (ii) issuance of the Settlement Shares, and (iii) the Corporate Governance Reforms, as compared to the risk that a similar, smaller, or no recovery would be achieved after a trial and appeals, possibly years in the future, in which the Defendants would have the opportunity to assert defenses to the claims asserted against them.

3. **Statement of Average Amount of Damage Per Share:** Lead Plaintiff and the Defendants do not agree on the average amount of damages per share, if any, that would be recoverable if Lead Plaintiff had prevailed on each claim alleged. The issues on which the parties disagree include, but are not limited to: (a) the appropriate economic model for determining the amount by which Sequenom Common Stock was allegedly artificially inflated (if at all) during the Settlement Class Period; (b) the amount by which Sequenom Common Stock was allegedly artificially inflated (if at all) during the Settlement Class Period; (c) the various market forces influencing the trading price of Sequenom Common Stock at various times during the Settlement Class Period; (d) the extent to which external factors, such as general market conditions, influenced the trading price of Sequenom Common Stock at various times during the Settlement Class Period; (e) the extent to which the various matters that Lead Plaintiff alleged were false or misleading influenced (if at all) the trading price of Sequenom Common

Stock at various times during the Settlement Class Period; (f) the extent to which the various allegedly material facts that Lead Plaintiff alleged were omitted influenced (if at all) the trading price of Sequenom Common Stock at various times during the Settlement Class Period; and (g) whether the statements allegedly made or facts allegedly omitted were actionable under the federal securities laws.

Lead Plaintiff's damages expert estimates that approximately 35,861,265 shares of Sequenom Common Stock traded during the Settlement Class Period and were damaged. Based upon the Plan of Allocation discussed below, and assuming that the owners of all damaged Sequenom Common Stock elect to participate in the Settlement, as of February 4, 2010, the average recovery per share could be approximately \$1.20, before deduction of any fees, expenses, costs and awards described herein. The actual amount disbursed to Settlement Class Members who submit timely and valid Proofs of Claim and Releases ("Authorized Claimants") will be the Authorized Claimants' *pro rata* share of the Settlement Amount, as defined below.

No payment will be made on any claim where the potential distribution amount is \$10 or less, but the Claimant will otherwise be bound by the Final Judgment (as defined below) entered by the Court. Further, if a Claimant is due fewer than 250 shares of common stock based on the Plan of Allocation, the Claimant will receive the equivalent dollar value of those shares, in additional monetary recovery under the Plan of Allocation, in place of the distribution of shares.

4. **Statement of Attorneys' Fees and Expenses:** Counsel for Lead Plaintiff, Kaplan Fox & Kilsheimer LLP ("Kaplan Fox" or "Lead Counsel") has not received any payment for its services in conducting this Action on behalf of Lead Plaintiff and the Settlement Class Members, nor has it been reimbursed for its out-of-pocket expenditures. If the Settlement is approved by the Court, Lead Counsel will apply to the Court for attorneys' fees not to exceed 8% of the Settlement proceeds (proportionately in cash and stock) and reimbursement of expenses not to exceed \$250,000 to be paid from the Settlement proceeds. If the amount requested by Lead Counsel is approved by the Court, based on the value of the Settlement as of February 4, 2010, the average cost would be approximately \$0.10 per share.

5. **Identification of Lead Plaintiff's Representatives:** For further information regarding this Settlement you may contact Robert N. Kaplan or Jeffrey P. Campisi, Kaplan Fox & Kilsheimer LLP, 850 Third Avenue, New York, NY 10022 or Laurence D. King, 350 Sansome Street, Suite 400, San Francisco, CA 94104. You can contact one of these attorneys by dialing 1-800-290-1952.

DO NOT CONTACT THE COURT.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT		
	DATE	
SUBMIT A PROOF OF CLAIM AND RELEASE FORM	May 10, 2010	The only way to get a payment that results in the release of claims against the Defendants and others. (See ¶¶46-49)
EXCLUDE YOURSELF	March 26, 2010	Get no payment. This is the only option that allows you to ever be part of any other lawsuit against the Defendants with respect to the claims in this case. (See ¶¶53-55)
TELL THE COURT YOUR VIEWS	April 13, 2010	Write to the Court and explain why you do not like or like the Settlement. (See ¶¶60-63)
REQUEST NOTICE OF CHANGE OF PLAN OF ALLOCATION	March 26, 2010	You may request to be notified if the Plan of Allocation of the Settlement is modified in any manner, including by Court order. (See ¶¶42, 69)
GO TO A HEARING	May 3, 2010	Ask to speak in Court about the fairness of the Settlement. (See ¶¶59-63)
DO NOTHING		Get no payment. Give up your rights (release claims). Alternatively, submit a claim. (See ¶¶49-52)

WHY DID I GET THIS NOTICE?

6. You or someone in your family may have purchased shares of Sequenom Common Stock during the Settlement Class Period. The Court sent you this Notice because, as a potential Settlement Class Member, you have a right to know about a proposed Settlement of the Class Action and your options, before the Court decides whether to approve the Settlement. A class action is a lawsuit in which one or more persons sue on behalf of all other persons who have similar claims.

7. If the Court approves the Settlement, and after any objections and appeals are resolved, a settlement administrator approved by the Court will make payments from the Settlement Fund to Authorized Claimants pursuant to the Settlement.

8. The Court in charge of this case is the United States District Court for the Southern District of California, and the case is known as *In re Sequenom, Inc. Securities Litigation*, No. 3:09-cv-00921-LAB-WMC. The plaintiff in this lawsuit is the Court-appointed Lead Plaintiff LACERS. The entities and people who have been sued are Sequenom, Harry Stylli, Paul Hawran, Allan T. Bombard, Charles R. Cantor, Steven Owings, Harry F. Hixson, Jr. and Elizabeth Dragon (collectively, the "Defendants"). The Settlement would settle and release all claims against the Defendants. Your interests have been represented in this lawsuit by Court-appointed Lead Counsel, Kaplan Fox & Kilsheimer LLP, 850 Third Avenue, New York, NY 10022, 350 Sansome Street, Suite 400, San Francisco, CA 94104 and 1801 Century Park East, Los Angeles, CA 90067.

9. This Notice explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them. The purpose of this Notice is to inform you of the terms of the proposed Settlement and to inform you of a hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the proposed Settlement and to consider the application for attorneys' fees and reimbursement of litigation expenses.

10. The Settlement Hearing will be held on May 3, 2010, at 11:15 a.m., before the Honorable Larry A. Burns, United States District Judge, at the United States District Court for the Southern District of California, 940 Front Street, San Diego, CA 92101-8900 (the "Settlement Hearing"). The purpose of the Settlement Hearing will be to determine whether (a) the Settlement for (i) \$14,000,000 in cash, plus interest, (ii) the issuance of the Settlement Shares and (iii) the Corporate Governance Reforms should be approved as fair, just, reasonable and adequate to Lead Plaintiff and the Settlement Class; (b) whether the proposed plan to distribute the Settlement proceeds (the "Plan of Allocation") is fair, just, reasonable and adequate; (c) whether the application by Lead Counsel for an award of attorneys' fees and expenses should be approved; and (d) whether the Class Action should be dismissed with prejudice against the Defendants.

11. The Court may adjourn or continue the Settlement Hearing without further notice to the Settlement Class. The issuance of this Notice is not an expression of the Court's opinion on the merits of any claim in the lawsuit, and the Court still has to decide whether to approve the Settlement. If the Court approves the Settlement, payments will be made after appeals, if any, are resolved and after the processing of all claims. Please be patient.

HOW DO I KNOW IF I AM PART OF THIS SETTLEMENT?

12. By order of the Court dated January 26, 2010, all persons and entities that purchased Sequenom Common Stock during the Settlement Class Period are eligible to participate in the Settlement, with the exception of the Defendants; any parent or subsidiary, present or former director, officer, or subsidiary of Sequenom; any entity in which any excluded person has a controlling interest; and their legal representatives, heirs, successors and assigns, and any immediate family member of a Settling Individual Defendant (as defined in the Stipulation of Settlement dated December 24, 2009 (the "Stipulation")). Also excluded from the Settlement is any person or entity that files a request for exclusion in accordance with the requirements set forth in this Notice (See ¶53).

RECEIPT OF THIS NOTICE DOES NOT NECESSARILY MEAN THAT YOU ARE A SETTLEMENT CLASS MEMBER OR ARE ENTITLED TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU WISH TO PARTICIPATE IN THE SETTLEMENT, YOU MUST MAIL THE PROOF OF CLAIM AND RELEASE, *POSTMARKED ON OR BEFORE MAY 10, 2010* (See ¶¶46-49).

WHAT RECOVERY DOES THE SETTLEMENT PROVIDE?

13. As of February 4, 2010, the total monetary value of the Settlement was approximately \$43 million, which is comprised of \$14,000,000 in cash, plus interest, and the Settlement Shares (the "Settlement Amount"). Attorneys' fees and expenses, notification costs, and claim administration costs will be deducted from the Settlement Amount. The Settlement Amount minus these fees, costs, expenses, and awards (the "Distribution Amount") shall be distributed to the Settlement Class.

14. The average expected recovery will depend on a number of factors including when and for what price Settlement Class Members purchased and/or sold their shares of Sequenom Common Stock, and the total number of shares for which timely and valid Proofs of Claim and Releases are submitted by Authorized Claimants.

WHY IS THERE A SETTLEMENT?

15. Under the proposed Settlement, the Court will not decide in favor of either the Lead Plaintiff or the Defendants. By agreeing to a Settlement, both the Lead Plaintiff and the Defendants avoid the costs and risk of a trial, and the Settlement Class Members are compensated.

16. In light of the amount of the Settlement and the immediacy of recovery to the Settlement Class, Lead Plaintiff believes that the proposed Settlement is fair, reasonable and adequate, and in the best interests of Settlement Class Members. The Settlement provides a substantial benefit, namely \$14,000,000 in cash, plus interest, the issuance of the Settlement Shares and the Corporate Governance Reforms, as compared to the risk that a similar, smaller, or no recovery would be achieved after a trial and appeals, possibly years in the future, in which the Defendants would have the opportunity to assert defenses to the claims asserted against them.

WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?

17. If there were no Settlement and Lead Plaintiff failed to establish any essential legal or factual element of its claims, neither Lead Plaintiff nor the Settlement Class would recover anything from the Defendants. Also, if the Defendants were successful in proving any of their defenses, the Settlement Class likely would recover substantially less than the amount provided in the Settlement, or nothing at all.

WHAT IS THIS CASE ABOUT? WHAT HAS HAPPENED SO FAR?

Background

18. During the Settlement Class Period, Sequenom purported to be a diagnostic testing and genetics analysis company committed to providing products, services, diagnostic testing, applications and genetic analysis products that translate the results of genomic science into solutions for biomedical research, translational research, molecular medicine applications, and agricultural, livestock, and other areas of research. According to the Company, its development and commercialization efforts in various diagnostic areas include non-invasive prenatal diagnostics, oncology, infectious diseases, and other disorders.

19. In particular, Sequenom purported to be researching, developing and pursuing the commercializing of various non-invasive molecular diagnostic tests for prenatal genetic disorders and diseases, under the trademark SEQuEDx. Further, Sequenom was purportedly developing and commercializing prenatal screening and diagnostic tests for Trisomy 21 ("T-21"), or Down syndrome, using its non-invasive, circulating cell-free fetal (ccff) nucleic acid based assay technology. According to Sequenom, the technology was non-invasive to the womb and used a maternal blood draw for prenatal diagnosis in order to provide more fundamental and reliable information about the fetus early in pregnancy. In press releases dated June 4, 2008, September 23, 2008, December 1, 2008, January 28, 2009 and February 3, 2009 the Company made representations about certain Research and Development ("R&D") test data and results that indicated that the test was nearly 100% accurate in identifying Down syndrome.

20. On April 29, 2009, after the close of trading, Sequenom disclosed that the expected launch of its T-21 test would be delayed and that the Company's prior positive statements about the data and tests, including statements that the test was nearly 100% accurate in identifying Down syndrome, were no longer reliable. Further, the Company stated that employee mishandling of R&D test data and results raised a significant concern regarding the integrity of that data. The Company also announced that four employees had been suspended. The Company's board of directors reportedly formed a special committee of independent directors to oversee an investigation of the employees' activity related to the test data and results for the Down syndrome product. Also, on April 29, 2009, the Company indicated that investors should no longer rely upon the T-21 R&D test data and results and all previous announcements about such data and test.

21. On April 30, 2009, the first trading day after the disclosure, Sequenom's Common Stock price declined by approximately 76% from \$14.91 per share at the close of trading on April 29, 2009, to close at \$3.62 per share on heavier than usual volume.

22. On June 29, 2009, Sequenom received written notification that the SEC initiated an investigation relating to the Company's above-noted disclosure on April 29, 2009.

23. On September 28, 2009, after the close of trading, the Company disclosed, in part, that it terminated the employment of Defendants Stylli and Dragon and accepted the resignation of Defendant Hawran.

24. On October 5, 2009, Sequenom disclosed that representatives of NASDAQ and the Office of the U.S. Attorney for the Southern District of California separately contacted the Company, that the Company had met with representatives of the U.S. Attorney and the Federal Bureau of Investigation in connection with their investigations and that members of the Company's special committee and its independent counsel met with the Enforcement Staff of the United States Securities and Exchange Commission in connection with its investigation.

The Class Action

25. The following complaints alleging violations of the federal securities laws were commenced in the United States District Court for the Southern District of California, on or after April 30, 2009:

	Abbreviated Case Name	Case Number	Date Filed
1.	Heilbrunn, et al. v. Sequenom, Inc., et al.	Case No. 3:09-cv-00922-LAB-WMC	April 30, 2009
2.	Coad v. Sequenom, Inc., et al.	Case No. 3:09-cv-00921-LAB-WMC	May 1, 2009
3.	Ross v. Sequenom, Inc., et al.	Case No. 3:09-cv-00949-LAB-WMC	May 4, 2009
4.	Schwartz v. Sequenom, Inc., et al.	Case No. 3:09-cv-00951-LAB-WMC	May 4, 2009
5.	Flynn v. Sequenom, Inc., et al.	Case No. 3:09-cv-00955-LAB-WMC	May 5, 2009
6.	Fox v. Sequenom, Inc., et al.	Case No. 3:09-cv-00973-LAB-WMC	May 6, 2009
7.	Business Systems Consultants, Ltd. v. Sequenom, Inc., et al.	Case No. 3:09-cv-00976-LAB-WMC	May 6, 2009
8.	Wiklund v. Sequenom, Inc., et al.	Case No. 3:09-cv-00984-LAB-WMC	May 7, 2009
9.	Margulies v. Sequenom, Inc., et al.	Case No. 3:09-cv-00990-JAH-WMC	May 7, 2009
10.	Patry v. Sequenom, Inc., et al.	Case No. 3:09-cv-01000-LAB-WMC	May 8, 2009
11.	Aaron Magel, Trustee of Magel Family Trust A Dated 1/2/90 v. Sequenom, Inc., et al.	Case No. 3:09-cv-01013-LAB-WMC	May 11, 2009
12.	Littman v. Sequenom, Inc., et al.	Case No. 3:09-cv-01351-JAH-WMC	June 23, 2009

26. On June 30, 2009, LACERS and certain other purchasers of Sequenom common stock moved pursuant to the Private Securities Litigation Reform Act of 1995 ("PSLRA") separately to: 1) consolidate the cases; 2) appoint a Lead Plaintiff; and 3) appoint Lead Counsel.

27. On September 1, 2009, these actions were consolidated for all purposes under the caption *In re Sequenom, Inc. Securities Litigation*, 3:09-cv-00921-LAB-WMC, and the Court appointed LACERS as Lead Plaintiff and Kaplan Fox as Lead Counsel.

Events That Led to the Settlement

28. In December 2009, the Parties engaged in a mediation with an experienced mediator concerning the possibility of settlement. During the mediation, the strengths/weaknesses of the claims were discussed and debated.

29. Negotiations between the Parties concerning the terms of the Settlement continued until December 24, 2009, at which time the Stipulation was executed. A copy of the Stipulation has been filed with the Court.

30. Throughout the settlement negotiations, various consultants and experts, including individuals with expertise in corporate governance, investment banking and the estimation of damages, advised the Lead Plaintiff and Lead Counsel.

WHAT ARE THE LEAD PLAINTIFF'S REASONS FOR THE SETTLEMENT?

31. Lead Plaintiff believes that its claims have merit and that the evidence developed to date supports those claims. However, Lead Plaintiff recognizes and acknowledges the expense and length of continued proceedings, trial and appeals. Lead Plaintiff also has taken into account the uncertain outcome and the risk of any litigation, especially in complex actions such as the Class Action, as Lead Plaintiff is also mindful of the inherent problems of proof under and possible defenses to the federal securities law violations, including the defenses asserted by Defendants during settlement negotiations.

32. The Settlement was reached as part of arms-length negotiations before an experienced mediator concerning the parties' divergent views about the merits and value of the claims.

33. In light of the foregoing, Lead Plaintiff believes that the Settlement set forth in the Stipulation confers substantial benefits upon the Settlement Class. Based on its evaluation, Lead Plaintiff has determined that the Settlement set forth in the Stipulation is in the best interests of the Settlement Class.

WHY HAVE DEFENDANTS AGREED TO THE SETTLEMENT?

34. The Defendants have denied and continue to deny each and all of the claims and contentions alleged by the Lead Plaintiff on behalf of the Settlement Class. The Defendants also have denied and continue to deny, among other things, the allegations that the price of Sequenom Common Stock was artificially inflated by reasons of alleged misrepresentations, non-disclosures or otherwise, or that any harm was caused by the conduct alleged. The Defendants believe that they fully disclosed their true opinions about Sequenom and made no misrepresentations of material facts.

35. Nonetheless, the Defendants have concluded that further conduct of the Class Action would be protracted and expensive, and that it is desirable that the Class Action be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation in order to limit further expense, inconvenience and distraction, to dispose of the burden of protracted litigation, and to permit the operation of Sequenom's business without further distraction and diversion caused by continuation of the Class Action. The Defendants also have taken into account the uncertainty and risks inherent in any litigation, especially in complex cases such as this litigation.

36. The Defendants have, therefore, determined that it is desirable and beneficial to them that the Class Action be settled in the manner and upon the terms and conditions set forth in the Stipulation. The Defendants entered into the Stipulation without in any way acknowledging any fault, liability, or wrongdoing of any kind.

HOW MUCH WILL MY PAYMENT BE? WHAT IS THE PLAN OF ALLOCATION?

37. Your *pro rata* share (if any) of the recovery will depend on the number of valid Proofs of Claim and Releases that Settlement Class Members send in, how many shares of Sequenom Common Stock you bought, and when you bought and sold your shares.

38. The Defendants have agreed to pay \$14,000,000 in cash, plus interest, and issue the Settlement Shares. Attorneys' fees and expenses, notification costs, any compensatory award to the Lead Plaintiff, and claims administration costs will be deducted from the Settlement Amount. The Settlement Amount minus these fees, costs, expenses and awards shall be distributed to the Settlement Class on a *pro rata* basis.

39. To receive a portion of the Distribution Amount, Settlement Class Members must complete a Proof of Claim and Release and mail it and all required documentation to the Settlement Administrator **postmarked on or before May 10, 2010**. Settlement Class Members who do not submit acceptable Proofs of Claim and Releases will not share in the Settlement proceeds. Settlement Class Members

who do not submit either a request for exclusion or an acceptable Proof of Claim and Release will nevertheless be bound by the Settlement and the Final Judgment and Order of Dismissal of the Court (“Final Judgment”), dismissing the claims against the Defendants.

40. A claim will be calculated as follows:
- A. For shares of Sequenom Common Stock purchased during the period June 4, 2008 through April 29, 2009 and sold on or before the close of trading on April 29, 2009, the Recognized Loss shall be zero.
 - B. For shares of Sequenom Common Stock purchased during the period June 4, 2008 through April 29, 2009 and sold between April 30, 2009 and July 28, 2009, the Recognized Loss shall be the lesser of:
 - (1) \$10.69 per share; or
 - (2) the difference between the purchase price per share and the sales price per share; or
 - (3) the difference between the purchase price per share and the average closing price of Sequenom Common Stock between April 30, 2009 and the date of sale.
 - C. For shares of Sequenom Common Stock purchased during the period June 4, 2008 through April 29, 2009 and held at the end of trading on July 28, 2009, the Recognized Loss shall be the lesser of:
 - (1) \$10.69 per share; or
 - (2) the difference between the purchase price per share and \$3.88.

In processing claims, the first-in, first-out (“FIFO”) basis will be applied to purchases and sales separately and in chronological order, by trade date, beginning with the earliest. The date of purchase or sale of Sequenom Common Stock is the “contract” or “trade” date, as distinguished from the “settlement” date. You must accurately provide the month, day and year of each transaction.

The price per share, paid or received, shall be exclusive of all commissions, taxes, fees and other charges. Where Sequenom Common Stock was purchased or sold by reason of having exercised an option, the option premium should be incorporated into the price accordingly.

All profits will be subtracted from all losses to determine the net Recognized Loss of each Claimant.

The date of covering a “short sale” is deemed to be the purchase date of Sequenom Common Stock. The date of a “short sale” is deemed to be the sale date of Sequenom Common Stock. Shares originally sold short prior to the Settlement Class Period will result in a zero Recognized Loss.

No payment will be made on any claim where the potential distribution amount is \$10 or less, but the Authorized Claimant (as defined in the Stipulation) will otherwise be bound by the Final Judgment entered by the Court. Further, if a Claimant is due fewer than 250 shares of common stock based on the Plan of Allocation, the Claimant will receive the equivalent dollar value of those shares, in additional monetary recovery under the Plan of Allocation, in place of the distribution of shares.

41. The common stock is to be issued in the Settlement pursuant to an exemption from registration under the Securities Act of 1933 (“Securities Act”), as amended, provided in Section 3(a)(10) of the Securities Act. If at the time of distribution, the “Blue Sky” laws of a particular state do not exempt the stock from registration for residents of that state, then residents of that state who have submitted valid claims shall receive an equivalent amount of cash instead of stock.

42. Lead Plaintiff may alter the Plan of Allocation set forth in paragraph 40 (subject to Court approval) without any further notice to Settlement Class Members, unless such Settlement Class Members expressly request notice of alteration of the Plan of Allocation. Therefore, in order to receive such notice, you must send a written request no later than March 26, 2010 by contacting the Settlement Administrator as set forth below in ¶69.

43. The Court has reserved jurisdiction to allow, disallow, or adjust the claim of any members of the Settlement Class on equitable grounds.

44. No person shall have any claim against Lead Counsel, the Settlement Administrator or other agent designated by Lead Counsel, or any Defendant or any Defendants’ counsel based on any distribution made substantially in accordance with the Stipulation and the Plan of Allocation, or further orders of the Court.

45. The Court also may modify the Plan of Allocation without further notice to the Settlement Class.

HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?

46. If you fall within the Settlement Class as defined above, you will remain a Settlement Class Member unless you elect to be excluded therefrom. If you do not request to be excluded from the Settlement Class, you will be bound by any judgment entered in the Class

Action whether or not you file a Proof of Claim and Release, including the dismissal with prejudice of any Released Claims (as defined in Section VII of the Proof of Claim and Release) you may possess against the Defendants under Federal law, or the law of any state.

47. If you wish to remain a Settlement Class Member, you need do nothing (other than timely request and file a Proof of Claim and Release if you wish to participate in the distribution of the Settlement Amount). Your interests will be represented by Lead Counsel. If you choose, you may enter an appearance individually or through your own counsel at your own expense.

48. **To participate in the distribution of the Settlement Amount, you must timely complete and return the Proof of Claim and Release form.**

49. The Proof of Claim and Release must be **postmarked on or before May 10, 2010**, and mailed to the Settlement Administrator at the address set forth in ¶169. Unless the Court orders otherwise, if you do not timely submit a valid Proof of Claim and Release, you will be barred from receiving any distribution from the Settlement Amount, but will in all other respects be bound by the provisions of the Stipulation and the Final Judgment.

WHAT RIGHTS AM I GIVING UP BY AGREEING TO THE SETTLEMENT?

50. If the Settlement is approved, the Court will enter the Final Judgment and Order of Dismissal. The Final Judgment will dismiss the claims against the Defendants with prejudice and provide that Lead Plaintiff and all other Settlement Class Members, except those who validly and timely request to be excluded from the Settlement Class, shall upon the entry of the Final Judgment be deemed to have, and by operation of the Final Judgment shall have, fully, finally, and forever released, relinquished and discharged the Released Parties from all Released Claims (including Unknown Claims as defined in Section VII of the Proof of Claim and Release). Released Claims are defined as any and all actions, suits, claims, debts, demands, rights, causes of action, proofs of claim or liabilities of every nature and description whatsoever (including, but not limited to, claims for damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses, or liability whatsoever), whether based in law or equity, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, matured or not matured, pursuant to federal, state, local, statutory or common law, or any other law, rule or regulation, whether foreign or domestic, including both known claims and Unknown Claims, whether or not concealed or hidden (including but not limited to claims for securities fraud, negligence, gross negligence, professional negligence, breach of duty of care and/or breach of duty of loyalty, fraud, breach of fiduciary duty, aiding or abetting a breach of fiduciary duty, breach of contract, unjust enrichment, or violations of any statutes, rules, duties or regulations), that have been or could have been or could in the future be asserted in any forum, whether foreign or domestic, by Lead Plaintiff, any member of the Settlement Class, or their successors, assigns, executors, administrators, representatives, attorneys, agents, affiliates, and partners, and any Persons they represent or any of them, whether brought directly or indirectly against any of the Released Parties, which arise out of, are based on, or relate in any way, directly or indirectly, to any of the allegations, acts, transactions, facts, events, matters, occurrences, representations or omissions involved, set forth, alleged or referred to, in the Action, or which could have been alleged in the Action based upon the facts alleged in the Action or any of the complaints filed in the Action, and which arise out of, are based upon, or relate in any way, directly or indirectly, to the purchase or sale of any Sequenom Common Stock by any Settlement Class member during the Settlement Class Period.

51. The Released Claims contemplated by this Settlement shall extend to Unknown Claims and each of the Lead Plaintiff and Settlement Class Members shall be deemed to have waived, and by operation of the Final Judgment shall have waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

52. If the Settlement is approved, Settlement Class Members who have not requested exclusion from the Settlement Class will release all Released Claims, even if they bring, or have brought a lawsuit, arbitration or other proceeding against the Released Parties relating to the Released Claims. If you have such proceedings, you should consult legal counsel as to whether you should exclude yourself from this Settlement pursuant to the procedures set forth in ¶153 below in order to preserve your rights.

IF I DO NOT WANT TO PARTICIPATE IN THE SETTLEMENT, HOW DO I EXCLUDE MYSELF?

53. **You may request to be excluded from the Settlement Class.** To do so, you must mail a written request to the Settlement Administrator at: Sequenom, Inc. Securities Litigation Exclusions, c/o Rust Consulting, Inc. P.O. Box 2288, Faribault, MN 55021-2423. The request for exclusion must: (a) state your name, address, and telephone number; (b) provide documentation reflecting the number of shares of Sequenom Common Stock held on June 3, 2008, all purchases of Sequenom Common Stock made during the Settlement Class Period, including the dates, the number of shares, and price paid per share for each such purchase, and sales of Sequenom Common Stock made during the period June 4, 2008 through July 28, 2009, including the dates, the number of shares, and price received per share for each such sale; and (c) state that you wish to be excluded from the Settlement Class. **TO BE VALID, A REQUEST FOR EXCLUSION MUST STATE ALL OF THE FOREGOING INFORMATION. YOUR EXCLUSION REQUEST MUST BE RECEIVED ON OR BEFORE MARCH 26, 2010.**

54. If you submit a valid and timely request for exclusion, you shall have no rights under the Settlement, shall not share in the distribution of funds from the Settlement, and shall not be bound by the Stipulation or the Final Judgment.

55. **If you do exclude yourself from the Settlement Class, your ability to subsequently initiate a litigation, arbitration or other proceeding against the Defendants concerning the Released Claims may be impacted by the relevant statute of limitations. You should consult your own legal counsel concerning this issue.**

WHAT PAYMENTS ARE THE ATTORNEYS FOR THE SETTLEMENT CLASS AND THE LEAD PLAINTIFF SEEKING FOR THEIR WORK IN THIS CASE?

56. Lead Counsel has not received any payment for its services in pursuing this lawsuit on behalf of the Settlement Class, nor have they been reimbursed for their out-of-pocket expenses. Lead Counsel intends to apply to the Court for an award of attorneys' fees on its behalf not to exceed 8% of the Settlement Amount proportionately in cash and Sequenom's Settlement Shares. In addition, Lead Counsel intends to apply for reimbursement of litigation expenses advanced in connection with the Action in an amount not to exceed \$250,000. All such fees and expenses will be paid out of the Settlement Amount.

ARE THERE OTHER CONDITIONS THAT MAY AFFECT THE SETTLEMENT OR AN AWARD THEREFROM?

57. The Settlement is conditioned upon the occurrence of certain events. Those events include, among other things: (a) entry of the Final Judgment by the Court, as provided for in the Stipulation; and (b) expiration of the time to appeal from the Final Judgment, or if an appeal is taken, a final resolution of the appeal in favor of the Final Judgment. If, for any reason, any one of the conditions described in the Stipulation is not met, that Stipulation might be terminated and, if terminated, will become null and void, and the parties to that Stipulation will be restored to their respective positions as of the execution of the Stipulation.

58. Sequenom has the right to terminate the Settlement under certain circumstances, including if the aggregate number of shares of Sequenom Common Stock purchased on the open market during the Settlement Class Period by Settlement Class Members, who would otherwise be entitled to participate in the Settlement but who timely and validly request exclusion, equals or exceeds a certain amount.

WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT AND RELATED MATTERS? DO I HAVE TO COME TO THE HEARING? MAY I SPEAK AT THE HEARING IF I DON'T LIKE THE SETTLEMENT OR OTHER MATTERS REFERENCED IN THIS NOTICE?

59. If you do not wish to object to the proposed Settlement, the Plan of Allocation, or the application for attorneys' fees and reimbursement of litigation expenses, you need not attend the Settlement Hearing scheduled for May 3, 2010.

60. Any Settlement Class Member who has not validly and timely requested to be excluded from the Settlement Class, and who objects to any aspect of the Settlement, the Plan of Allocation, or the application for attorneys' fees, costs and expenses may appear and be heard at the Settlement Hearing. Any such Settlement Class Member must submit a written notice of objection, which must be received on or before April 13, 2010, to each of the following: (i) Clerk of the Court, United States District Court for the Southern District of California, 940 Front Street, San Diego, CA 92101-8900; (ii) Kaplan Fox & Kilsheimer LLP, Robert N. Kaplan, Esq., Jeffrey P. Campisi, Esq., 850 Third Avenue, New York, NY 10022 (Lead Counsel for Lead Plaintiff and the proposed Class); and (iii) William E. Grauer, Cooley Godward Kronish LLP, 4401 Eastgate Mall, San Diego, CA 92121 (for all Defendants).

61. The notice of objection must demonstrate the objecting Settlement Class Member's membership in the Settlement Class, including documentation reflecting the number of shares of Sequenom Common Stock purchased and sold during the Settlement Class Period, and must contain a statement of the reasons for objection. Only Settlement Class Members who have submitted written notices of objection and related documentation in this manner will be entitled to be heard at the Settlement Hearing, unless the Court orders otherwise.

62. The Settlement Hearing may be delayed from time to time by the Court without further written notice to the Settlement Class. If you intend to attend the Settlement Hearing, you should confirm the date and time with Lead Counsel.

63. Unless otherwise ordered by the Court, any Settlement Class Member who does not object in the manner described herein will be deemed to have waived any objection and shall be forever foreclosed from making any objection to the proposed Settlement, the application for attorneys' fees and reimbursement of litigation expenses, and/or the proposed Plan of Allocation. Settlement Class Members do not need to appear at the hearing or take any other action to indicate their approval.

WHAT IF I AM A BROKER, BANK OR OTHER NOMINEE THAT BOUGHT SHARES ON SOMEONE ELSE'S BEHALF?

64. If you hold or held any Sequenom Common Stock purchased during the Settlement Class Period as nominee for a beneficial owner, then, within ten (10) days after you receive this Notice, you must either: (a) provide a list of the names and addresses of such beneficial owners to the Settlement Administrator, **preferably in an MS Excel data table, setting forth (i) title/registration; (ii) street address; (iii) city/state/zip; electronically in MS Word or WordPerfect files; or on computer-generated mailing labels (label size Avery 5162)**; or (b) send a copy of this Notice by first class mail to all such beneficial owners, providing written confirmation to the Settlement

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 this document as you will need to complete the mailing by contacting the Settlement Administrator as set forth in ¶69, below.

65. Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement of **reasonable** administrative costs actually incurred in connection with forwarding the Notice and Proof of Claim and Release and which would not have been incurred but for the obligation to forward the Notice, after submission to the Settlement Administrator of appropriate documentation.

CAN I SEE THE COURT FILE?
WHOM SHOULD I CONTACT IF I HAVE QUESTIONS?

66. This Notice is a summary only and does not describe all of the details of the Stipulation. Nothing in this Notice can vary or supersede the terms of the Stipulation. All capitalized terms that are not defined herein are defined in the Stipulation. For full details of the matters discussed in this Notice, you may desire to review the Stipulation filed with the Court, which may be inspected during business hours, at the office of the Clerk of the Court, United States Courthouse, United States District Court for the Southern District of California, 940 Front Street, San Diego, CA 92101-8900.

67. You may also review, at www.SequenomSecuritiesLitigation.com, the Stipulation, the Notice, the Proof of Claim and Release, the Order Preliminarily Approving Settlement and Scheduling Final Settlement Hearing. These documents will be available on or before February 9, 2010. The papers filed in support of the Settlement, and the applications for an award of attorneys' fees and expenses for Lead Counsel will be available after they are filed with the Court.

68. If you have any questions about the Settlement of the Class Action, you may contact Lead Counsel by writing: Kaplan Fox & Kilsheimer LLP, Robert N. Kaplan, Esq., Jeffrey P. Campisi, Esq., 850 Third Avenue, New York, NY 10022.

69. If you need additional copies of this Notice, or if you have a question about filing a claim, you may contact the Settlement Administrator at: Sequenom, Inc. Securities Litigation, c/o Rust Consulting, Inc. P.O. Box 2288, Faribault, MN 55021-2423, Toll-free Phone: 1-877-260-0556, Email: info@SequenomSecuritiesLitigation.com.

DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE

Dated: February 9, 2010

BY ORDER OF THE COURT

ANNEX A

Pursuant to Section II(G) of the Stipulation, within thirty (30) days after the Execution Date (as defined in the Stipulation), Sequenom agrees to adopt, or continue its implementation of, the following changes, revisions, modifications and additions to the corporate governance policies, protocols and practices of the Company:

A. Board Composition and Compensation

1. Independent directors of the Board of Directors of the Company (the "Board") may serve as members of the boards of directors of no more than four (4) other public or private for-profit entities, other than subsidiaries or affiliates of the Company.
2. The Company shall amend its bylaws to provide that at all times a majority of the directors of the Board of Directors must be independent.
3. In connection with the Company's annual shareholder meeting, the Company shall consider submitting to a shareholder vote a resolution that provides that at least 50% of the annual fees for independent directors, other than reimbursement of reasonable expenses and other than fees for committee memberships, shall be in the form of equity, e.g., restricted stock of the Company.

B. Board Conduct

1. Each independent director of the Board shall annually certify, in writing, to the Chair of the Nominating and Corporate Governance Committee that he or she is independent and shall immediately inform the Board of any change in his or her independent status.
2. Absent extraordinary circumstances, the Company shall strongly encourage each member of the Board to attend, in person, each annual shareholder meeting.
3. Following each regular meeting of the Board (or at the conclusion of a special meeting if deemed necessary), the independent directors of the Board shall hold an executive session at which the Chief Executive Officer, or any other Company officer or employee, shall not be present.
4. The Chairman of the Board shall designate an appropriate person or persons in the Company to prepare or cause to be prepared, at the direction of the Chairman of the Board, among other things:
 - a. Agendas in connection with regular (or special) meetings of the Board;
 - b. Minutes of all Board meetings, which shall be distributed for review and correction, if necessary, by the members of the Board within a reasonable period of time following each such meeting;
 - c. Board "packages" for each such meeting providing appropriate information and materials related to the various items of the particular agenda (or in support of proposed unanimous consent resolutions); and
 - d. Periodic financial, operational or other requisite reports, including medical data, test results and clinical studies to adequately inform the Board, on a timely basis, of the status of or material developments in Company's business and the results of its operations.
5. Director (and Executive Officer) Education. Directors shall participate in an initial orientation program upon election to the Board and in regular continuing education programs thereafter, in order that they fully understand their directorial responsibilities and can faithfully fulfill their fiduciary duties. Such continuing education, outlining the essential elements of best corporate governance practices and informing directors of new developments in this area, shall be conducted by the Company's general counsel (if that position is occupied) or otherwise by a designated outside counsel with corporate governance expertise; and shall exceed that required by any applicable listing exchange. Executive officers of the Company shall similarly participate in such orientation program upon joining the Company, and all executive officers shall participate in such regular continuing education programs.

C. Committee Conduct

1. The Nominating and Corporate Governance Committee, in consultation with the Chairman of the Board and the Chief Executive Officer, shall be responsible for periodic review of the Company's corporate governance policies, protocols and practices that may, from time to time, merit consideration by the Board.
2. The Company's Open Door Policy has been updated to have all complaints forwarded to all members of the Audit Committee. The Open Door Policy applies expressly to all complaints, not just those relating to accounting/financial practices. Complaints received through the Company's complaint hotline, as described in the Open Door Policy, go to the Chair of the Audit Committee and designated outside counsel only; such hotline complaints do not go to any officers or employees of the Company.
3. The Audit Committee shall hold executive sessions with the Company's independent auditor and its financial management team as a routine item on its agenda for each of its regularly scheduled meetings.
4. The Audit Committee shall hold at least four (4) regularly scheduled meetings every year to review the Company's annual and interim financial statements and disclosures, as well as related independent auditor attestations, certifications and/or reports.

5. The Audit Committee engaged Rose Ryan, LLP (“Rose Ryan”) as an external consultant to create and implement an “Enterprise Risk Management Process” to be approved by the Board. This process is on-going and Rose Ryan shall continue to provide the Audit Committee with regular reports which may merit consideration by the Board.
6. The Disclosure Committee has revamped its charter. The Disclosure Committee, including its designated Disclosure Committee reporter, is now responsible for testing the reliability of information to be disclosed to the public. The Disclosure Committee shall meet periodically with the Company’s outside auditors, the Audit Committee and/or full Board to report on multiple aspects of the disclosure controls and to permit independent assessment of those controls.
7. The Company has created a Scientific Review Committee to oversee the Company’s research and development strategy and activities.

D. Additional Corporate Governance Changes

1. The Board has adopted a comprehensive new policy on corporate disclosure controls and procedures, and approved a “Corporate Disclosure Policy,” a set of “Disclosure Controls and Procedures,” and an “Amended and Restated Disclosure Committee Charter.” As set forth in these documents, the Disclosure Committee must now review and formally approve all information before it is released to the public. In addition, there will no longer be any unpublished scientific data shared with investors.
2. The Company has revised its New Hire Orientation program, Employee Handbook and Code of Business Conduct and Ethics, and enhanced its training practices. The Company now has created several revised training programs concerning ethics, scientific processes, public disclosures, and professional e-mail conduct.
3. The Company’s Code of Business Conduct and Ethics shall be revised to include a specific section regarding the management, handling and disclosure of medical data, test results and the conduct of clinical studies by or on behalf of the Company to ensure the effective implementation of the remedial measures imposed by the Board.
4. The Company’s Code of Business Conduct and Ethics shall provide for:
 - a. Its distribution to all new employees and their acknowledgment of receipt of the Code and agreement to be bound by its provisions; and
 - b. Its annual dissemination to all employees with a confirmation requiring them to certify annually that they have reviewed, are familiar with and agree to be bound by the provisions contained therein.

E. Additional Company Structural Changes

1. On September 28, 2009, the Company terminated the employment of Harry Stylli, Ph.D, former President and Chief Executive Officer, Elizabeth Dragon, former Senior Vice President of Research and Development, and three other employees. The Company also accepted the resignation of Paul Hawran, former Chief Financial Officer, and Steven Owings, former Vice President of Commercial Development, Prenatal Diagnostics. The Company has confirmed that it no longer provides compensation to Messrs. Stylli, Owings or Hawran, Dr. Dragon, or the three employees who were terminated on September 28, 2009.
2. The Company has hired a full-time biostatistician and engaged an external consultant on an “as needed” basis as a clinical biostatistician.
3. The Company has reorganized its reporting structure, reducing the number of direct reports to the Company’s Chief Executive Officer.
4. The Company has revised its Oversight Committee and appointed project directors to oversee and manage each of the Company’s products in development. As a result, each of the Company’s potential products now has both a director responsible for the product’s development and also internal independent reviewers that are otherwise not associated with that product’s development team.

F. Revised Clinical Study Protocols and Procedures

1. The Company has introduced a number of standard operating procedures regarding study design planning and review, including clear identification of whether a study is blinded or unblinded, raw data storage at multiple locations, independent third-party review of blinded clinical data, and a redundancy review of clinical study design by the Oversight Committee and of blinded clinical data by the Scientific Review Committee, the clinical group and the Company’s biostatistician.
2. The Company has revamped its policy concerning the storage of clinical samples, including requiring that samples be stored in third-party storage facilities, bar-coding samples for electronic tracking and auditing, creating formal procedures for obtaining a sample, and limiting access to the Company’s sample storage freezer.

SEQUENOM, INC. SECURITIES LITIGATION
C/O RUST CONSULTING, INC.
PO BOX 2288
FARIBAULT, MN 55021-2423

IMPORTANT COURT DOCUMENTS