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**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

KENNETH BLUMBERG, Individually,
And On Behalf Of All Others Similarly
Situated,

Plaintiff,

vs.

HOWARD H. PIEN, PATRICIA M.
DANZON, ROBERT C. DINERSTEIN,
ABHIJEET J. LELE, MARC RUBIN,
RONALD J. SALDARINI, CHARLES R.
SCHALLER, JULIUS A. VIDA,
MEDAREX, INC., and BRISTOL-
MYERS SQUIBB COMPANY,

Defendants.

Civil Action No.:

**SHAREHOLDER CLASS
ACTION COMPLAINT**

JURY TRIAL DEMANDED

Plaintiff residing at 3504 Northridge Drive, Pikesville, MD 21208, by his attorneys,
as and for his complaint, alleges upon personal knowledge as to his actions and upon
information and belief, based, *inter alia*, upon the investigation of counsel, as to all other
allegations herein, as follows:

SUMMARY OF THE ACTION

1. Plaintiff brings this action individually and as a class action on behalf of the public shareholders of Medarex, Inc. (“Medarex” or the “Company”) to enjoin a self-dealing tender offer (the “Tender Offer”) by which the board of directors of Medarex (the “Individual Defendants,” as defined herein) have agreed to sell the Company to Bristol-Myers Squibb Company (“Bristol-Myers”) without properly engaging in a competitive bidding process for the sale and during a period of unusual market instability that has driven down the price of Medarex stock for macroeconomic reasons unrelated to the fundamental value of the Company. As set forth herein, the Tender Offer is procedurally and financially unfair. The Tender Offer will pay Medarex shareholders \$16.00 in cash per-share, representing an almost 11% discount to Medarex’s highest closing price of \$17.90, reached on August 21, 2007, before the current financial crisis. The Tender Offer will thus deny Plaintiff and the other members of the Class the opportunity to benefit from the Company’s long-term growth opportunities and share proportionately in the future success of the Company. The Tender Offer is the product of a flawed sales process whereby the Individual Defendants agreed to an approximately \$2.4 billion sale without adequately exploring alternative opportunities for other strategic combinations, and then erected unreasonable deal protection devices to ward off any competing bidders while recommending that shareholders approve the Tender Offer.

VENUE AND JURISDICTION

2. This Court has jurisdiction over this action under 28 U.S.C. § 1332(a) because the amount in controversy in this litigation exceeds \$75,000 exclusive of interest and costs and there is complete diversity of citizenship between the Plaintiff and all defendants.

3. Venue is proper in this judicial district because Medarex's principal place of business is in Princeton New Jersey, and a substantial portion of the wrongful conduct challenged herein occurred in this judicial district. This Court has personal jurisdiction over each defendant in that each defendant is alleged herein to have engaged in the wrongful conduct alleged herein, each of the Individual Defendants is a director and/or officer of the Company, and/or each defendant has sufficient minimum contacts with New Jersey, and/or each defendant has submitted to personal jurisdiction by constructive consent.

4. This action is not a collusive one to confer jurisdiction in a court of the United States which is would not otherwise have.

THE PARTIES

5. Plaintiff Kenneth Blumberg is and has been at all relevant times a continuous shareholder of tens of thousands of shares of Medarex common stock.

6. Defendant Medarex is a corporation duly organized and existing under the laws of the State of New Jersey and with its principal office in Princeton, New Jersey. Medarex's common shares trade on the NASDAQ exchange under the symbol "MEDX." Medarex is a biopharmaceutical company focused on the discovery, development and commercialization of human antibody-based therapeutic products. The Company, along with its partners, is developing fully human antibody therapeutics for a range of diseases through the use of its UltiMAb technology platform for generating antibodies.

7. Defendant Bristol-Myers is engaged in the discovery, development, licensing, manufacturing, marketing, distribution and sale of pharmaceutical and nutritional products. The Company has two segments: Pharmaceuticals and Nutritionals. Bristol-Myers' common shares trade on the New York Stock Exchange under the symbol "BMY."

8. Defendant Howard H. Pien (“Pien”) serves as the Chairman of Medarex’s Board of Directors (the “Board”) and as President and Chief Executive Officer (“CEO”). Prior to joining Medarex in June 2007, Pien was the Chairman and CEO and a Director of Chiron Corporation, a biopharmaceutical company involved in three healthcare markets: blood testing, vaccines, and biopharmaceuticals, from April 2003 until Chiron’s merger with Novartis in April 2006.

9. Defendant Patricia M. Danzon (“Danzon”) has served as a director of Medarex since 2005. Danzon has been the Celia Moh Professor, Health Care Management, Insurance and Risk Management at the Wharton School of the University of Pennsylvania since 1985. Danzon also chaired the Health Care Systems Department at the Wharton School from 2004 to 2007. Prior to that time, Danzon held academic and research positions at various institutions including the University of Chicago, Stanford University, and Duke University.

10. Defendant Robert C. Dinerstein (“Dinerstein”) has served as a director of Medarex since 2006. Dinerstein is currently Chairman of Crossbow Ventures, Inc. and served as the Global Co-Chair and New York Chair of the Financial Institutions Practice at Greenberg Traurig, LLP, an international law firm, from August 2006 through July 2008. Prior to joining Greenberg Traurig, Dinerstein held various positions at UBS Investment Bank, including Vice Chairman, Americas, and Senior Corporate Counsel (from 2005 to 2006) and Managing Director and Global General Counsel (from 2000 to 2004). Prior to joining UBS in 1991, Dinerstein was Executive Vice President and General Counsel of Shearson Lehman Brothers. From 1979 through 1987, he was a Vice President and the General Counsel of Citicorp’s Investment Bank.

11. Defendant Abhijeet J. Lele (“Lele”) has served as a director of Medarex since 2006. Lele has been a Managing Member of EGS Healthcare Capital Partners, or EGS, a venture capital firm that focuses on investments in biopharmaceutical, specialty pharmaceutical and medical device companies since 1998. Prior to joining EGS in 1998, he spent four years in the healthcare practice of McKinsey & Company, and prior to McKinsey & Company, he held various operating positions with Lederle Laboratories, Progenics Pharmaceuticals, Inc. and Clontech Laboratories, Inc.

12. Defendant Marc Rubin (“Rubin”) has served as a director of Medarex since 2007. Rubin is a biopharmaceutical consultant and the former President and CEO of Titan Pharmaceuticals, Inc., a biopharmaceutical company publicly traded on the American Stock Exchange. Prior to joining Titan in October 2007, he was Head of Global Research and Development for Bayer Schering Pharma and a member of the Executive Committee of Bayer Healthcare and the Board of Management of Bayer Schering Pharma from June 2006 to January 2007. Prior to his position at Bayer Schering Pharma, from October 2003 through June 2006, Rubin was a Member of the Executive Board and President of Development for Schering AG, as well as Chairman of Schering Berlin Inc. and President of Berlex Pharmaceuticals, a division of Schering AG. His position included responsibility for three Global Business Units. Before joining Schering AG, between January 1990 through September 2003, Rubin held several positions of increasing responsibility at GlaxoSmithKline, including oversight of the development, approval and commercial strategy for numerous programs.

13. Defendant Ronald J. Saldarini (“Saldarini”) has served as a director of Medarex since 2001. Saldarini was the President of the global vaccine business of Wyeth Pharmaceuticals from 1986 until his retirement in 1999. After his retirement, he founded

Biological Initiatives which provides consulting services to the vaccine/pharmaceutical industry. Saldarini is an associate with Naimark & Associates, a healthcare consulting firm, and has served on several committees of the National Academy of Sciences Institute of Medicine.

14. Defendant Charles R. Schaller (“Schaller”) has served as a director of Medarex since 1987. Schaller was Chairman of the Board from Medarex’s inception until May 18, 1997. Since 1989, Schaller has been a chemical industry management consultant and, until June 2002, he served as a director of AstroPower, Inc., a formerly publicly traded U.S. manufacturer of photovoltaic products.

15. Defendant Julius A. Vida (“Vida”) has served as a director of Medarex since 1994. Vida has been a self-employed pharmaceutical consultant with VIDA International Pharmaceutical Consultants since 1993. From 1975 until his retirement in 1993, Vida held various positions at Bristol-Myers and its predecessors. From 1991 to 1993, Vida was Vice President, Business Development, Licensing and Strategic Planning, and from 1985 to 1991, he was Vice President, Licensing for Bristol-Myers.

THE INDIVIDUAL DEFENDANTS’ FIDUCIARY DUTIES

16. The defendants listed in paragraphs 8 through 15, above, (collectively, the “Individual Defendants”) are in a fiduciary relationship with the Plaintiff and the other public shareholders of Medarex and owe them the highest obligations of good faith and fair dealing.

17. In any situation where the directors of a publicly traded corporation undertake a transaction that will result in a change in corporate control, the directors have an affirmative fiduciary obligation to obtain the highest value reasonably available for the corporation’s shareholders. To diligently comply with these duties, the Individual Defendants may not take any action that:

- a. adversely affects the value provided to the Company's shareholders;
- b. will discourage or inhibit alternative offers to purchase control of the Company or its assets;
- c. contractually prohibits them from complying with their fiduciary duties;
- d. will otherwise adversely affect their duty to search and secure the best value reasonably available under the circumstances for the corporation's shareholders; and/or
- e. will provide the Individual Defendants with preferential treatment at the expense of, or separate from, the public shareholders.

18. In accordance with their duties of loyalty and good faith, the Individual Defendants are also obligated to refrain from:

- a. participating in any transaction where the directors' or officers' loyalties are divided;
- b. participating in any transaction where the directors or officers receive or are entitled to receive a personal financial benefit not equally shared by the public shareholders of the corporation; and/or
- c. unjustly enriching themselves at the expense or to the detriment of the public shareholders.

19. Moreover, in agreeing to the Tender Offer, the Individual Defendants have initiated a process to sell Medarex, which imposes heightened fiduciary responsibilities on them and warrants enhanced scrutiny by the Court. The Individual Defendants owe fundamental fiduciary obligations to the Company's shareholders to take all necessary and appropriate steps to maximize the value of their shares in implementing a transaction determined to be in the best

interests of the Company. The Individual Defendants also have the responsibility to act independently so that the interests of Medarex and its public shareholders will be protected, and to conduct fair and active bidding procedures or other mechanisms for checking the market to assure that the highest possible price is achieved.

Background of the Tender Offer

20. Bristol-Myers and Medarex have a longstanding business relationship and they have been cooperating on a drug named ipilimumab since 2005 pursuant to a collaboration and co-promotion agreement. In particular, the collaboration agreement includes a grant by the Company to Bristol-Myers of a license to commercialize ipilimumab, a fully human antibody product developed using the Company's UltiMAb® technology, that is antagonistic to cytotoxic T-lymphocyte antigen 4 (CTLA-4). Ipilimumab is currently under investigation for the treatment of a broad range of cancers and other diseases.

21. During the summer and fall of 2008, the stock market's reaction to the financial crisis in this country and abroad generally caused the shares of corporations to drop significantly, including Medarex which, in August 2007, reached a high value of over \$17.90 per-share.

22. Despite the economic collapse of the past two years, Medarex's fortune dramatically improved when, on June 19, 2009, the Mayo Clinic issued a dramatic press release (the "June 19, 2009 Press Release") reporting on the results of a study of Medarex's MDX-010 or ipilimumab drug. The results of the Mayo study were nothing short of astonishing as noted in the June 19, 2009 Press Release:

Two Mayo Clinic patients whose prostate cancer had been considered inoperable are now cancer free thanks in part to an experimental drug therapy that was used in combination with standardized hormone treatment and radiation therapy. The men were participating in a clinical trial of an

immunotherapeutic agent called MDX-010 or ipilimumab. In these two cases, physicians say the approach initiated the death of a majority of cancer cells and caused the tumors to shrink dramatically, allowing surgery. In both cases, the aggressive tumors had grown well beyond the prostate into the abdominal areas.

"The goal of the study was to see if we could modestly improve upon current treatments for advanced prostate cancer," says Eugene Kwon, M.D., Mayo Clinic urologist and leader of the clinical trial. ***"The candidates for this study were people who didn't have a lot of other options. However, we were startled to see responses that far exceeded any of our expectations."***

The patients first received a type of hormone therapy called androgen ablation, which removes testosterone and usually causes some initial reduction in tumor size. Researchers then introduced a single dose of ipilimumab, an antibody, which builds on the anti-tumor action of the hormone and causes a much larger immune response, resulting in massive death of the tumor cells. Both men experienced consistent drops in their prostate specific antigen (PSA) counts over the following weeks until both were deemed eligible for surgery. Then, during surgery, came a greater surprise.

"The tumors had shrunk dramatically," says Michael Blute, M.D., Mayo urologist, co-investigator and surgeon, who operated on both men. "I had never seen anything like this before. I had a hard time finding the cancer. At one point the pathologist (who was working during surgery) asked if we were sending him samples from the same patient."

One patient underwent radiation therapy after surgery; both have resumed their regular lives. Further research is being planned to understand more about the mechanisms of the antibody and how best to use the approach in practice. The researchers, however, note the significance of their findings.

"This is one of the holy grails of prostate cancer research," says Dr. Kwon. "We've been looking for this for years."

(emphases added).

23. Pursuant to their collaboration agreement, Bristol-Myers and Medarex have been sharing the costs of researching and developing ipilimumab and the two companies are the only ones who have any knowledge about the full potential of ipilimumab. Despite facing the very real possibility that ipilimumab will be a major blockbuster cancer drug for

years to come, there is no indication that Medarex has sought to sell that Company to any party other than Bristol-Myers.

24. Notwithstanding Medarex's strong position, the Individual Defendants failed to negotiate any change-of-control premium over Medarex's recent \$17.90 per share value. Thus, Plaintiff and the other public shareholders of Medarex will be deprived of the benefit from any long-term growth achieved through the business planning and research and development that has placed Medarex in an advantageous position.

25. In short, the Tender Offer is designed to unlawfully divest Medarex's public stockholders of their controlling interest in the Company for grossly inadequate consideration.

CLASS ACTION ALLEGATIONS

26. Plaintiff brings this action on his own behalf and, as a class action pursuant to Fed. R. Civ. P. 23, on behalf of all holders of Medarex stock who are being and will be harmed by Defendants' actions described herein (the "Class"). Excluded from the Class are defendants herein and any person, firm, trust, corporation, or other entity related to or affiliated with any defendants.

27. This action is properly maintainable as a class action because:

a. The Class is so numerous that joinder of all members is impracticable. Medarex has approximately 128 million shares of common stock outstanding;

b. There are questions of law and fact which are common to the Class including whether the Individual Defendants, aided and abetted by Bristol-Myers, have breached their fiduciary and other common law duties owed by them to Plaintiff and the members of the Class and whether Plaintiff and the other members of the Class will be damaged irreparably by the Individual Defendants' breaches of their fiduciary duties;

c. Plaintiff's claims are typical of the claims of the other members of the Class and Plaintiff does not have any interests adverse to the Class;

d. Plaintiff is an adequate representatives of the Class, has retained competent counsel experienced in litigation of this nature and will fairly and adequately protect the interests of the Class;

e. The prosecution of separate actions by individual members of the Class would create a risk of inconsistent or varying adjudications with respect to individual members of the Class which would establish incompatible standards of conduct for the party opposing the Class;

f. Plaintiff anticipates that there will be no difficulty in the management of this litigation. A class action is superior to other available methods for the fair and efficient adjudication of this controversy; and

g. Defendants have acted on grounds generally applicable to the Class with respect to the matters complained of herein, thereby making appropriate the relief sought herein with respect to the Class as a whole.

COUNT I

CLASS CLAIM FOR BREACH OF DUTY AGAINST THE INDIVIDUAL DEFENDANTS

28. Plaintiff repeats and realleges the allegations in this Complaint as if fully set forth herein.

29. The Individual Defendants have violated their fiduciary duties to Plaintiff and the public shareholders of Medarex by entering into the Tender Offer without regard to the fairness of the transaction to Plaintiff and Medarex's public shareholders.

30. As alleged herein, the Individual Defendants breached their duties of loyalty, good faith and care owed to Plaintiff and Medarex's public shareholders by failing to properly value Medarex; failing to properly shop the Company in an open and fair process that was designed to achieve the highest price for the Company; and by favoring Bristol-Myers by not shopping the Company before agreeing to the Tender Offer

31. Unless enjoined by this Court, the Individual Defendants will continue to breach their fiduciary duties owed to Plaintiff and Medarex's public shareholders and may consummate the Tender Offer, to the irreparable harm of the Plaintiff and Medarex's public shareholders.

32. Plaintiff has no adequate remedy at law.

COUNT II

CLASS CLAIM FOR AIDING AND ABETTING BREACH OF DUTY AGAINST ALL DEFENDANTS

33. Plaintiff repeats and realleges the allegations in this Complaint as if fully set forth herein.

34. Medarex and Bristol-Myers, together with each of the Individual Defendants, are each sued herein as an aiders and abettors of the breaches of the Individual Defendants' fiduciary duties as alleged above.

35. As direct participants in the and the flawed process that produced the Tender Offer, Medarex and Bristol-Myers knew of, and actively encouraged and participated in the breaches of fiduciary duties alleged herein. Medarex and Bristol-Myers induced the Individual Defendants to breach their fiduciary duties at the expense of Plaintiff and Medarex's public shareholders.

36. As a result of the unlawful actions of the Defendants in aiding and abetting the Individual Defendants' breaches of fiduciary duties, Plaintiff and the other members of the Class have been and will be damaged in that they have been and will be prevented from maximizing the value of their investment in Medarex.

37. Plaintiff has no adequate remedy at law.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, on behalf of himself and on behalf of the Class, prays that the Court provide relief, including:

A. Declaring this action to be a proper class action and certifying Plaintiff as class representatives and Plaintiff's counsel as class counsel;

B. Preliminarily and permanently enjoining Defendants from disenfranchising the Class and effectuating the Tender Offer;

C. Declaring that the Individual Defendants, aided and abetted by Medarex and Bristol-Myers, have breached their fiduciary duty to Plaintiff and the Class;

D. Declaring the Tender Offer void and ordering rescission if that transaction is consummated;

E. Awarding damages, including rescissory damages, in favor of Plaintiff and the Class against all defendants, jointly and severally, together with interest thereon;

F. Awarding fees, expenses and costs to Plaintiff and Plaintiff's counsel; and

G. Granting such other and further relief as the Court deems just and proper.

DEMAND FOR JURY TRIAL

Plaintiff hereby demands a trial by jury on all issues so triable.

July 23, 2009

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