

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

In re:	)	
	)	Chapter 11
	)	
SORRENTO THERAPEUTICS, INC., <i>et al.</i> <sup>1</sup>	)	Case No. 23-90085 (DRJ)
	)	
Debtors.	)	(Jointly Administered)
	)	
	)	<b>Re: Docket No.____</b>

**ORDER GRANTING SCILEX’S RULE 2004 MOTION**

Upon the motion (the “Motion”)<sup>2</sup> of Scilex Holding Company (“Scilex”) for entry of an order (this “Order”) compelling written responses to certain Information Requests from the Brokerage Firms, all as more fully set forth in the Motion; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having found that it may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and this Court having found that the Debtors’ notice of the Motion and opportunity for a hearing on the Motion were appropriate and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court, if any; and this Court having determined that the legal and factual bases set forth in support of the Motion establish

<sup>1</sup> The Debtor entities in these chapter 11 cases, along with the last four digits of each Debtor entity’s federal tax identification number, are: Sorrento Therapeutics, Inc. (4842); and Scintilla Pharmaceuticals, Inc. (7956). The Debtors’ service address is: 4955 Directors Place, San Diego, CA 92121.

<sup>2</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is HEREBY ORDERED THAT:

1. The Motion is granted as set forth herein.
2. On or before November 10, 2023, the Brokerage Firms and other third parties are

compelled to produce non-privileged written responses to the following Information Requests:

**To Brokerage Firms:**

Request 1: State the aggregate number of shares of Scilex Common Stock, reported daily since January 9, 2023 (the “Dividend Record Date”), held by the Brokerage as record owner, beneficial owner, or in any other capacity, each reported separately. As to each customer or client account, state the number of shares of Scilex Common Stock held by the Brokerage, reported daily, by account, on an anonymized basis (referencing each account by a new alpha-numeric name), since the date of the Sorrento Dividend.

Request 2: As to each customer or client account, by account, on an anonymized basis, using the same anonymized alpha-numeric name above state: (1) the number of shares of Scilex Common Stock on the Dividend Record Date, and the number of shares of Dividend Stock such account is eligible to receive (based on pending trades or dividends); and (2) on March 6, 2023 (the “Scilex Shareholder Meeting Record Date”): (a) the number of shares of Dividend Stock held in the account; (b) the total number of shares of Scilex Common Stock held in the account; (c) the number of shares of Dividend Stock that the account is eligible to receive (based on pending dividends); and (d) the number of shares of Scilex Common Stock that the account is eligible to receive (based on pending trades or other dividends).

Request 3: State the aggregate number of shares of Scilex Common Stock, reported separated on a daily basis, traded by or within the Brokerage, (1) on behalf of customers or beneficial owners, and, separately, and (2) as principal, for the Brokerage’s own account, or otherwise, between the Dividend Record Date and the present.

Request 4: As to each customer or client account, on an anonymized basis, using the same alpha-numeric name above, state the number of shares of Scilex Common Stock purchased on or after the Record Date.

Request 5: As to each such customer or client account, on an anonymized basis, using the same alpha-numeric name above, (1) state whether the account is part of a stock loan program or whose shares are otherwise eligible to enter into stock loan transactions, and (2) state the number of shares of Scilex Common Stock loaned attributed to such account on a daily basis from the Record Date to the present.

Request 6: Order and Trade data: Should include, but not be limited to records reflecting the original order and subsequent changes and/or trade executions with all the required information (ie: sell short, agency/principal, Solicited/unsolicited, all timestamps, etc.)

Request 7: Stock Locate records: Should include, but not be limited to records reflecting the stock locates provided by the stock loan desk on short sales and the required documents reflecting the locate requested by the trade originator. These records should include the time of entry and in the case of locates, the expiration time of the availability of the stock to be borrowed.

Request 8: Affirmative Determination records: Should include, but not be limited to records reflecting affirmative determination as to the location of the stock being sold as required in a long sale.

Request 9: Stock Record: Should include, but not be limited to records reflecting the daily positions and control locations of all accounts within the firm (i.e. firm, control, operations, customer, fail, suspense accounts etc.). These records would reflect the full daily two-sided debit/credit balancing of the stock.

Request 10: Stock Record Debit/Credit Journals: Should include, but not be limited to journal records reflecting both the debit and credit non-trade movements of cash and securities between stock record accounts. These records should reflect both the debit and credit sides in a single offsetting entry.

Request 11: Stock Loan/Borrow records: Should include, but not be limited to records that reflect the borrowing and lending of securities, including the borrow/lend rate, the date of the loan or borrow and the closeout date. These records should also include any and all records that source the borrow or loans back to customer accounts or other source accounts with a full accounting of the stock movements.

Request 12: Easy to Borrow/Hard to Borrow records: Should include, but not be limited to the daily list generally created by Stock Loan Departments reflecting stocks that were either easy to borrow or hard to borrow. This could potentially be two separate lists depending on firm procedures.

Request 13: Produce all records evidencing loans and borrows by and to Brokerage Firms in Sorrento stock (SRNEQ) over the record date of January 9, 2023.

**To the DTCC:**

Request 1: CNS Accounting Summary: Records reflecting daily fail to deliver and fail to receive positions by participant(broker).

Request 2: Consolidated Trade Summary: Records reflecting daily bought and sold share totals for each exchange by participant(broker).

Request 3: Correspondent Clearing Data: Records reflecting daily bought and sold transactions between for each exchange by and between participants(brokers) utilizing the Correspondent Clearing system to transfer shares and money between participants(brokers).

Request 4: DTCC Participant Daily Activity Statement: Records reflecting all movements and activities of shares and money by and between participants (brokers) at DTCC.

**To FINRA:**

Request 1: FINRA CAT Data: Consolidated Audit Trail (“CAT”) data records reflecting the lifespan transactions of orders from origination to completion capturing all relevant information (i.e. broker info, customer info, long or short indicators, unique ID etc.), with precision timestamps. These records will also reflect but are not limited to cancel/replaces, order forwarding, executions, and expired orders etc.

Request 2: Short Interest Data (Broker Level): Records reflecting the total short interest shares reported to FINRA, twice a month, with broker level detail.

3. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Dated: \_\_\_\_\_, 2023

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CHRISTOPHER M. LOPEZ  
UNITED STATES BANKRUPTCY JUDGE