

May 30, 2024

Mr. Robert W. Cook
President and Chief Executive Officer
Financial Industry Regulatory Authority
1735 K Street NW
Washington, D.C. 20006

Dear Mr. Cook:

I write to request that the Financial Industry Regulatory Authority (“FINRA”) review all the events surrounding [short sales of and short positions in] the common stock of Scilex Holding Company (Nasdaq: SCLX) (“Scilex” or the “Company”) from September 1, 2022 to February 1, 2023.

It is our belief that the Company’s common stock, including the Dividend Shares (as defined below) have been attacked by various forms of market manipulation.

According to credible information available to the Company, Scilex’s management team believes that there are approximately 10 million shares of Scilex common stock being sold short and additionally, there are more than 10 million shares of Scilex common stock (out of the 76 million shares of Scilex common stock that were distributed by Sorrento Therapeutics, Inc. (OTC: SRNE) as a dividend to its stockholders in January 2023 (the “Dividend Shares”)) deemed to have been sold as “naked short” positions on or after January 2023 that have not been covered as of today. Further, the Company believes that there are substantial “naked short” positions of approximately 44 million shares of Scilex’s common stock that did not cast votes based on the reports tabulated by Broadridge Financial Solutions, Inc., an independent third party that collects and tabulates stockholder votes, for Scilex’s prior two annual meetings for its stockholders as a simple illustration of the imbalances articulated above.

Overall, it is our strong belief there are significant indications of unlawful manipulation of Scilex common stock (including the Dividend Shares). As such, I respectfully request you open an investigation of anomalous trading of Scilex common stock to determine the extent and purpose of such anomalous trading and whether any laws, rules and regulations, including Regulation SHO, were violated so that the perpetrators of any illegal activity can be held accountable.

A thorough and expeditious investigation should include (as to the common stock of Scilex (including the Dividend Shares)) requests for the following records for the time period from September 2022 to February 1, 2023:

- Consolidated Audit Trail (CAT) trading data including trading records, quotes, market maker records, and add/drip records, and CAT tables revealing masked fields such as broker aliases;
- FINRA data including brokers' short interest data and Trade Reporting Facility (TRF) data with brokers' market participants identifiers (MPIDs);
- Depository Trust and Clearing Corporation (DTCC) information including daily position reports, CNS accounting summaries, participant daily activity statements, universal trade capture data, consolidated trade summaries (M209 records), and correspondent clearing records; and
- Reports from DTCC member firms reflecting total shares short since February 4, 2024 (including trading under the ticker "DWAC" prior to March 26, 2024), CAT data for loan/borrow reports, and daily locate and pre-borrow logs.

Such an inquiry is indispensable to protect shareholders, including Scilex's retail investors. It may also shed light on the need for policy changes such as closing the Reg SHO loopholes for alleged bona fide market makers, requiring brokers to better document their efforts to locate and borrow stock, and stiffening penalties for illegal naked short sellers.

I am ready and willing to assist your efforts in any way possible.

Sincerely,



Henry Ji, Ph.D.

Executive Chairman

Scilex Holding Company