

January 26, 2016

Relmada Therapeutics Files Amended Complaint Against Laidlaw and Its Principals, Matthew Eitner and James Ahern

NEW YORK, Jan. 26, 2016 /PRNewswire/ -- Relmada Therapeutics, Inc. (OTCQB: RLMD) ("Relmada" or the "Company"), a clinical-stage company developing novel therapies for the treatment of chronic pain, today announced that it has filed a motion to amend its complaint against Laidlaw & Company (UK) Ltd. ("Laidlaw") in the U.S. District Court for the District of Nevada. The motion to file an amended complaint is part of the lawsuit that the Company had previously filed in the Nevada District Court. The amended complaint includes an additional legal claim based on Laidlaw's breach of the fiduciary duty that it owed to Relmada when Laidlaw disclosed confidential information that it acquired in its capacity as the Company's investment banker. Relmada is also seeking monetary damages arising from fees and costs that it incurred responding to Laidlaw's false and misleading proxy materials in December 2015.

Relmada noted that the Nevada court previously issued a temporary restraining order and associated injunction against Laidlaw and its principals, Matthew Eitner and James Ahern, as a result of their dissemination of false and misleading proxy materials. Relmada's Board believes Laidlaw must compensate the Company for the damages it has suffered as a result of Laidlaw's actions, and that Laidlaw must be prevented from harming the Company in the future.

The Company is mailing the following letter to stockholders to inform them of this action taken to protect their interests:

January 26, 2016

Dear Stockholders:

Thank you for your support! At the Company's Annual Meeting on December 30, 2015, more than 94% of the votes cast were in favor of *all* of Relmada's director nominees: Shreeram Agharkar, Ph.D. and Maged Shenouda, R. Ph., MBA. This overwhelming support underscores our stockholders' confidence in the progress we are making to develop Relmada's product portfolio and drive value creation. Relmada benefits from a pipeline that is strong, robust and delivering results. As evidence of our success, we recently:

- Announced positive study results for BuTab for the treatment of both chronic pain and opioid dependence indications (a multi-billion dollar market opportunity);
- Completed our multiple ascending dose study with d-Methadone for neuropathic pain; and
- Appointed pharmaceutical industry leader, James Dolan, to our advisory team.

Relmada's Board of Directors and management team remain committed to taking all appropriate actions to protect the Company and the interests of our stockholders. In this regard, on January 25, 2016, Relmada Therapeutics, Inc. (the "Company" or "Relmada") filed a motion to amend its complaint against Laidlaw & Company (UK) Ltd. ("Laidlaw") in the lawsuit that the Company had previously filed in federal district court in Nevada. The amended complaint includes an additional legal claim based on Laidlaw's breach of the fiduciary duty that it owed to Relmada when Laidlaw disclosed confidential information that it acquired in its capacity as the Company's investment banker. Relmada also is seeking monetary damages arising from fees and costs that it incurred responding to Laidlaw's false and misleading press release in December 2015. As you may recall, the Nevada court previously issued a temporary restraining order and associated injunction against Laidlaw and its principals, Matthew Eitner and James Ahern, as a result of their dissemination of false and misleading proxy materials. Relmada's Board believes Laidlaw must compensate the Company for the damages it has suffered as a result of Laidlaw's actions, and that Laidlaw must be prevented from harming the Company in the future.

We are hopeful that through this lawsuit, we can address the harms that Laidlaw has caused and ultimately focus the Company's time and resources on the continued execution of our product development plan. This plan is already delivering significant results with a number of additional value creating opportunities ahead.

LIDLAW'S INTERACTIONS WITH RELMADA

Laidlaw historically served as the Company's primary investment banker, acting as Relmada's placement agent in its December 2011 and May 2014 offerings and as Relmada's financial advisor in the Company's merger with Camp Nine, Inc. pursuant to which Relmada became a public company.

In the spring of 2015, Relmada discussed with Laidlaw the possibility of attracting new investors. As part of these activities, Laidlaw organized a non-deal road show in April 2015, engaged in confidential discussions with the Company's management about its business and future prospects and introduced the Company to certain institutional investors. After the conclusion of these activities in the summer of 2015, the Company conveyed to Laidlaw its dissatisfaction with Laidlaw's (i) performance in organizing the road show and attracting new investors and (ii) interactions with a potential investor who entered into a confidentiality agreement with the Company. On October 21, 2015, Laidlaw sent a letter to the Board and filed a Schedule 13D with the Securities and Exchange Commission which, among other things, disclosed confidential information concerning the Company's capital raising efforts and interactions with institutional investors.

In an attempt to see if the parties could amicably settle their differences and avoid a costly and disruptive fight, the Board of Directors of Relmada reached out to Laidlaw to set up a meeting which was held on December 1, 2015. The meeting was attended by Relmada's Chief Executive Officer and two newly-appointed independent Relmada directors and Messrs. Eitner and Ahern, as well as a consultant hired by Laidlaw, Ben Snedeker. At this meeting, Messrs. Eitner and Ahern demanded that they be given the power to appoint a majority of the members of the Relmada Board of Directors. Then on December 4, 2015, Laidlaw issued a press release announcing it was launching a proxy contest and consent solicitation to elect five directors and to take control of the Company.

Your Board believed Laidlaw's December 4 press release was in violation of the federal securities laws and brought action against Laidlaw in federal district court in Nevada to enjoin Laidlaw and Messrs. Eitner and Ahern from disseminating false and misleading proxy materials and to order them to retract or correct the false and misleading statements made in this press release. On December 10, 2015, the federal district court issued a temporary restraining order and associated injunction to enjoin Laidlaw and Messrs. Eitner and Ahern from "continuing to disseminate false and misleading proxy materials" in violation of the federal securities laws, including applicable proxy laws. On December 22, 2015, following a hearing on the merits, the federal district court kept this injunction in place and granted Relmada's request and issued a preliminary injunction enjoining Laidlaw and Messrs. Eitner and Ahern from continuing their false and misleading proxy solicitation.

LIDLAW'S ACTIONS HAVE HARMED RELMADA AND ITS STOCKHOLDERS

Relmada has incurred significant costs and been exposed to significant distractions as a result of our effort to protect the interests of Relmada's stockholders from Laidlaw. Further, as discussed in our previous letters, Relmada's NASDAQ listing was materially and adversely affected by the actions of Laidlaw and Messrs. Eitner and Ahern. In simplest terms, these costs can be seen by looking at the decline in the Company's stock price since Laidlaw's Schedule 13D filing. On October 22, 2015 (the day on which Laidlaw's Schedule 13D was filed) Relmada's stock was trading at \$4.03 per share. Since that date, the stock price has declined dramatically to its current price of \$1.65 per share. This destruction of the market value of the Company stock has occurred during a time of only positive developments concerning the Company and its business. In particular, the Company recently announced positive study results for BuTab for the treatment of both chronic pain and opioid dependence indications (a multi-billion dollar market opportunity) and the completion of its multiple ascending dose study with d-Methadone for neuropathic pain.

LIDLAW'S LONG HISTORY OF VIOLATING STATE AND FEDERAL SECURITIES LAWS AND FINANCIAL REGULATIONS

- Laidlaw is an investment and brokerage firm formerly operating under the name Sands Brothers International Ltd. and incorporated in England, with its principal place of business located in New York City. The Sands Brothers and their affiliates have a notorious history of willful violations of state and federal securities laws; of being sanctioned for failing to comply with state and federal securities laws; and of being censured and suspended by state regulators, the SEC and the New York Stock Exchange.
- **Between 2007 and 2009, Laidlaw received more than 60 customer complaints and claims for damages, and Laidlaw was sanctioned by FINRA for inadequate reporting of certain of such complaints.**
- In February 2012, Laidlaw entered into a letter of acceptance, waiver and consent with FINRA, pursuant to which FINRA found that Laidlaw:
 - **Failed to establish and implement adequate policies** and procedures relating to compliance with rules and regulations **concerning anti-money laundering.**
 - Failed to establish, maintain and enforce adequate policies and procedures relating to email retention.
 - **Failed to report to FINRA** certain statistical and summary information regarding **customer complaints and claims for monetary damages**

- Created and **distributed misleading, exaggerated and incomplete communications** with the public.
- **Failed to establish** and implement certain **required supervisory control procedures**.
- **Failed to maintain checks received and forwarded blotter**.

Who is James Ahern?

- James Ahern, Managing Partner and Head of Capital Markets for Laidlaw, is 36 years old.
- While Mr. Ahern's listed education history on his State of New York Office of the Attorney General Investor Protection Bureau report states that he attended Assumption College from September 1998 to September 2002, Assumption College's records indicate he only attended from January 1999 to September 2000.
- Assumption College has no record of Mr. Ahern graduating, and to date, Relmada has not discovered any public record of Mr. Ahern receiving any undergraduate degree. Mr. Ahern's personal biography on Laidlaw's website credits his alma mater as Northfield Mount Herman High School.
- Mr. Ahern has been in financial services since 2003, and during this time, he has had:
 - **Four customer complaints**, all of which were resolved with payments made to the customer. Allegations included breach of contract, breach of fiduciary duty, actual and constructive fraud, churning customer accounts and unauthorized trading.
 - **New York State tax liens filed against him** in 2011 and 2012, including an additional **federal tax lien filed against him** in 2012. These liens have since been released.

LIDLAW HAS A LONG HISTORY OF NONCOMPLIANCE WITH SECURITIES LAWS AND HIRING COMPLIANCE OFFICERS, BROKERS AND OTHERS FROM ROGUE BROKERAGE FIRMS AND WITH A HISTORY OF FINRA VIOLATIONS

- In 2009 **Connecticut entered a consent order against Laidlaw** for, among other things, (i) failing to comply with the terms of an existing consent order with the state; (ii) filing false and misleading reports with the Bank Commissioner of the State of Connecticut; and (iii) violating the Connecticut securities laws.
- As a result of Laidlaw's history of noncompliance with the Connecticut securities laws, Laidlaw entered into a new consent decree which required Laidlaw to hire an experienced independent consultant to conduct an initial evaluation of "Laidlaw's supervisory and compliance policies and procedures" and "make recommendations to ensure that Laidlaw's supervisory and compliance procedures safeguard against violations of the Act and the Regulations and that all compliance employee staffing and experience levels are adequate." Laidlaw also was required to conduct a semi-annual review of such compliance every six months for two years after this settlement.
- Following imposition of this consent order which focused on the need for Laidlaw to develop satisfactory compliance procedures and hire appropriate compliance staff, Laidlaw hired Marc Ellis to serve as its Chief Compliance Officer. This hiring is certainly interesting in light of the fact that in connection with Mr. Ellis' employment as Chief Compliance Officer for a previous employer, **FINRA censured and fined Mr. Ellis for failing to adopt satisfactory compliance policies and procedures and**

thus willfully aiding and abetting violations of the federal securities laws.

- Laidlaw next hired John Coolong as its Chief Compliance Officer and Chief Financial Officer. Mr. Coolong is described on Laidlaw's website as a "Certified Public Accountant." Despite this representation, in actuality, Mr. Coolong is prohibited from signing documents as a CPA. In 2011, **the State of New Jersey sought sanctions against Mr. Coolong for failing to satisfy the requirements for a CPA.** Following these charges, **Mr. Coolong was fined \$5,000 and his CPA license was placed on inactive status.**
- In a story entitled "More Than 5,000 Stockbrokers From Expelled Firms Still Selling Securities" published in October 2013, The Wall Street Journal ("WSJ") noted that Laidlaw had acquired a branch office and at least 16 brokers from a former brokerage firm which had been shut down by FINRA for "brazen" rule breaking. According to the WSJ, Laidlaw acquired this office and several of the brokers through a licensing agreement with the previous landlord and former broker at the expelled brokerage firm, Louis Ottimo, who also became an employee of Laidlaw. **Mr. Ottimo lists five financial judgments or liens and several other disclosures on his FINRA regulatory filing, including a conviction for assault and battery and a FINRA regulatory action, that barred Mr. Ottimo from association with any FINRA member in any capacity** for, among other things, fraudulently omitting to disclose material information in a private placement memo to investors. This regulatory bar is on appeal. Mr. Ottimo eventually left Laidlaw.
- In March 2013, Laidlaw hired Charles Smulevitz who was previously the Chief Compliance Officer at AEGIS Capital Corp. In August 2015, AEGIS agreed to pay \$950,000 as part of a settlement with FINRA over allegations of improper sales of billions of shares of unregistered penny stocks and anti-money-laundering supervisory lapses. FINRA found that in his jobs overseeing compliance at AEGIS, Mr. Smulevitz (i) **"failed to establish, maintain, and enforce a supervisory system** including written supervisory procedures ("WSPs"), **reasonably designed to achieve compliance with Section 5 for sales of unregistered shares of microcap stocks"**; (ii) **"failed to conduct reasonable and meaningful inquiries of the circumstances surrounding the customers' illicit sales of five microcap stocks"**; and (iii) **"failed to adequately implement the firm's anti-money laundering program** . . . failed to reasonably detect and investigate 'red flags' indicative of potentially suspicious transactions, namely: deposits of billions of unregistered shares of microcap stocks of ten issuers in several accounts, including the referenced accounts, which were controlled and/or referred by persons who had been the subject of regulatory actions; liquidations of the shares shortly after their deposits, sometimes amidst periods of suspicious promotional activity and increased trading volume; and transfers of the resulting proceeds out of the accounts shortly after the liquidations." For these actions, **Mr. Smulevitz was personally fined and suspended from associating with any FINRA entity for 30 days.**

RELMADA'S BOARD AND MANAGEMENT ARE COMMITTED TO SERVING THE BEST INTERESTS OF ALL RELMADA STOCKHOLDERS

In addition to our recent successes discussed in this letter, we see additional value creation opportunities possible in the next 12 to 24 months. Indeed, Relmada's future is bright. You can count on Relmada's Board and management team to do all we can to realize these opportunities, drive value creation and protect the interests of all Relmada stockholders,

including protecting your interests from Laidlaw.

On behalf of your Board of Directors, we thank you for your continued support.

Very truly yours,

/s/ Chuck Casamento
Chuck Casamento

/s/ Maged Shenouda
Maged Shenouda, R.
Ph., MBA

/s/ Paul Kelly
Paul Kelly

/s/ Sergio Traversa
Sergio Traversa,
PharmD

/s/ Sandesh Seth
Sandesh Seth, MS

/s/ Shreeram Agharkar
Shreeram Agharkar,
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About Relmada Therapeutics, Inc.

Relmada Therapeutics is a clinical-stage, publicly traded specialty pharmaceutical company developing novel versions of proven drug products together with new chemical entities that potentially address areas of high unmet medical need in the treatment of pain. The Company has a diversified portfolio of four lead products at various stages of development including d-Methadone (REL-1017) its N-methyl-D-aspartate (NMDA) receptor antagonist for neuropathic pain; topical mepivacaine (REL-1021), its orphan drug designated topical formulation of the local anesthetic mepivacaine; oral buprenorphine (REL-1028) its oral dosage form of the opioid analgesic buprenorphine; and LevoCap ER (REL-1015), its abuse resistant, sustained release dosage form of the opioid analgesic levorphanol. The Company's product development efforts are guided by the internationally recognized scientific expertise of its research team. The Company's approach is expected to reduce clinical development risks and costs while potentially delivering valuable products in areas of high unmet medical needs. For more information, please visit Relmada's website at: www.relmada.com.

Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements made by us or on our behalf. We may from time to time make written or oral statements in this letter, the proxy statements filed with the SEC communications to stockholders and press releases which constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are based upon management's current expectations, estimates, assumptions and beliefs concerning future events and conditions and may discuss, among other things, anticipated future performance, expected product development, product potential, future business plans and costs. Any statement that is not historical in nature is a forward-looking statement and may be identified by the use of words and phrases such as "expects," "anticipates," "believes," "will," "will likely result," "will continue," "plans to" and similar expressions. No forward-looking statement can be guaranteed and actual results may differ materially from those projected. Relmada undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise. Readers are cautioned that it is not possible to predict or identify all of the risks, uncertainties and other factors that may affect

future results and that the risks described herein should not be considered to be a complete list.

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