

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MINNESOTA**

UNITED HEALTHCARE SERVICES, INC.,

Plaintiff,

vs.

TEVA PHARMACEUTICALS USA, INC.;
ACTAVIS HOLDCO US, INC.; ACTAVIS
PHARMA, INC.; ACTAVIS ELIZABETH
LLC; AMNEAL PHARMACEUTICALS,
INC.; APOTEX CORP.; AUROBINDO
PHARMA U.S.A., INC.; BRECKENRIDGE
PHARMACEUTICAL, INC.; CAMBER
PHARMACEUTICALS, INC.; DR. REDDY'S
LABORATORIES, INC.; ENDO
INTERNATIONAL PLC; GLENMARK
PHARMACEUTICALS, INC., USA;
LANNETT COMPANY, INC.; LUPIN
PHARMACEUTICALS, INC.; MYLAN INC.;
MYLAN PHARMACEUTICALS INC.;
MYLAN N.V.; PAR PHARMACEUTICAL
COMPANIES, INC.; PAR
PHARMACEUTICAL, INC.; SANDOZ, INC.;
TARO PHARMACEUTICALS USA, INC.;
UPSHER-SMITH LABORATORIES, LLC;
VERSAPHARM, INC.; WOCKHARDT USA
LLC; ZYDUS PHARMACEUTICALS (USA),
INC.

Defendants.

Civil Action No.

COMPLAINT

JURY TRIAL DEMANDED

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United HealthCare Services, Inc. (“Plaintiff” or “UHS”) files this Complaint under the antitrust laws of the United States and Minnesota, and the other state laws identified herein, against each of the above-captioned Defendants (collectively “Defendants”), and alleges as follows:

I. SUMMARY OF THE CASE

1. This is a civil action against Defendants for violating federal and state laws by conspiring to fix, increase, stabilize, or maintain prices of generic pharmaceutical drugs. This Complaint follows on and supplements the action filed by UHS on January 16, 2019 in *United HealthCare Services, Inc. v. Actavis Holdco U.S., Inc., et al.*, 19-cv-00121-WMW-TNL (D. Minn.), which was transferred by the United States Judicial Panel on Multidistrict Litigation to the Eastern District of Pennsylvania and is currently pending as Case No. 19-cv-00629-CMR and centralized for pretrial proceedings as part of *In re Generic Pharmaceuticals Pricing Antitrust Litigation*, 16-md-02724-CMR (“MDL 2724”).¹ UHS thus hereby asserts claims relating to overcharges for the following generic drugs/products (or, “drugs at issue”):

¹ By this Complaint, UHS asserts claims arising from certain facts and drugs alleged in the most recent action by various States Attorneys General (the “States”) filed on May 10, 2019 (*State of Connecticut, et al. v. Teva Pharmaceuticals USA, Inc., et al.*, 3:19-cv-710-MPS (D. Conn.), transferred and currently pending as Case No. 2:19-cv-02407-CMR (E.D. Pa.) and part of MDL 2724) (“the States’ May 10, 2019 Complaint”)—which is the latest chapter in the States’ ongoing investigation into widespread anticompetitive collusion throughout the generic pharmaceutical industry. The allegations set forth below are based on information currently available to UHS. UHS has not yet been permitted access to all information and records that government investigators have gathered. UHS reserves the right to amend this Complaint based on discovery or further proceedings.

Adapalene Gel	Diltiazem HCL Tablets	Medroxyprogesterone Tablets
Amiloride HCL/HCTZ Tablets	Disopyramide Phosphate Capsules	Methotrexate Tablets
Amoxicillin/Clavulanate Chewable Tablets	Doxazosin Mesylate Tablets	Mimvey (Estradiol/Norethindrone Acetate) Tablets
Amphetamine/Dextroamphetamine ER (aka Mixed Amphetamine Salts)	Drospirenone and ethinyl estradiol	Moexipril HCL Tablets
Amphetamine/Dextroamphetamine IR	Enalapril Maleate Tablets	Moexipril HCL/HCTZ Tablets
Azithromycin Oral Suspension	Entecavir	Nabumetone Tablets
Azithromycin Suspension	Epitol Tablets	Nadolol Tablets
Bethanechol Chloride Tablets	Estazolam Tablets	Niacin ER Tablets
Budesonide DR Capsules	Estradiol Tablets	Nitrofurantoin MAC Capsules
Budesonide Inhalation	Ethinyl estradiol and levonorgestrel	Norethindrone Acetate
Bumetanide Tablets	Ethosuximide Capsules	Norethindrone/ethinyl estradiol
Buspirone Hydrochloride Tablets	Ethosuximide Oral Solution	Nortriptyline Hydrochloride Capsules
Cabergoline	Etodolac ER Tablets	Omega-3-Acid Ethyl Esters
Capecitabine	Etodolac Tablets	Oxaprozin Tablets
Carbamazepine Chewable Tablets	Fenofibrate	Oxybutynin Chloride Tablets
Carbamazepine Tablets	Fluconazole Tablets	Paricalcitol
Cefdinir Capsules	Fluoxetine HCL Tablets	Penicillin VK Tablets
Cefdinir Oral Suspension	Flurbiprofen Tablets	Pentoxifylline Tablets
Cefprozil Tablets	Flutamide Capsules	Piroxicam
Celecoxib	Fluvastatin Sodium Capsules	Prazosin HCL Capsules
Cephalexin Suspension	Gabapentin Tablets	Prochlorperazine Tablets
Cimetidine Tablets	Glimepiride Tablets	Raloxifene HCL Tablets
Ciprofloxacin HCL Tablets	Griseofulvin Suspension	Ranitidine HCL Tablets
Clarithromycin ER Tablets	Haloperidol	Tamoxifen Citrate Tablets
Clemastine Fumarate Tablets	Hydroxyurea Capsules	Temozolomide
Clonidine TTS Patch	Hydroxyzine Pamoate Capsules	Tizanidine
Clotrimazole Topical Solution	Irbesartan	Tobramycin
Cyproheptadine HCL Tablets	Isoniazid	Tolmetin Sodium Capsules
Desmopressin Acetate Tablets	Ketoconazole Cream	Tolterodine ER
Desogestrel/Ethinyl Estradiol Tablets	Ketoconazole Tablets	Tolterodine Tartrate
Dexmethylphenidate HCL ER Capsules	Ketoprofen Capsules	Topiramate Sprinkle Capsules
Dextroamphetamine Sulfate ER	Ketorolac Tromethamine Tablets	Trifluoperazine HCL
Diclofenac Potassium Tablets	Labetalol HCL Tablets	Valsartan HCTZ
Dicloxacin Sodium Capsules	Lamivudine/Zidovudine (generic Combivir)	Warfarin Sodium Tablets
Diflunisal Tablets	Loperamide HCL Capsules	

2. While this Complaint alleges facts and claims as to the above drugs, Defendants' unlawful scheme and overarching conspiracy also extends to other drugs, including those addressed in UHS's January 16, 2019 Complaint in *United HealthCare Services, Inc. v. Actavis Holdco U.S., Inc., et al.*, 19-cv-00629-CMR (E.D. Pa.).²

3. Plaintiff UHS, together with its subsidiaries and affiliates, is the single largest health insurance carrier and services provider in the United States, administers pharmaceutical drug benefits on behalf of millions of Americans, and through its mail-order and specialty retail pharmacies is also a direct purchaser of the generic pharmaceuticals at issue.

4. As has been recently uncovered, the generic pharmaceutical industry for many years has operated pursuant to an understanding among generic manufacturers not to compete with each other and to instead settle for what these supposed competitors refer to as "fair share," which is an explicit reference to a market sharing and price-fixing agreement. Rather than compete on price to gain market share, Defendants systematically communicated with one another directly to suppress competition and maintain anticompetitively high prices.

² UHS does not by this Complaint assert legal claims for relief in connection with the individual drugs that are already the subject of claims in UHS's January 16, 2019 Complaint. Thus, although asserted in the States' May 10, 2019 Complaint, UHS does not herein seek relief in connection with overcharges paid for the following drugs (and any formulations thereof): Baclofen, Benazepril, Clomipramine, Fluocinonide, Levothyroxine, Pravastatin, and Propranolol. Allegations concerning these drugs are included in the factual discussion below for support and relevant context of Defendants' overarching conspiracy and larger pattern of collusive conduct.

5. Since at least in or about 2010, Defendant Teva Pharmaceuticals USA, Inc. (“Teva”) and other various co-conspirators have embarked on one of the most egregious and damaging price-fixing conspiracies in the history of the United States. Teva and its competitors sought to leverage the collusive nature of the industry to not only maintain their “fair share” of each generic drug market, but also to significantly raise prices on as many drugs as possible. In order to accomplish that objective, Teva selected a core group of competitors with which it already had very profitable collusive relationships – Teva referred to them as “High Quality” competitors – and targeted drugs where they overlapped. Teva had understandings with its highest quality competitors to lead and follow each other’s price increases, and did so with great frequency and success, resulting in many billions of dollars of harm to the national economy over a period of several years. While Teva spearheaded particular efforts that are the subject of this Complaint, this is part of a larger, overarching conspiracy and understanding of how the generic manufacturers fix prices and allocate markets to artificially suppress competition.

6. At the zenith of this collusive activity involving Teva, during a 19-month period beginning in July 2013 and continuing through January 2015, Teva significantly raised prices on approximately 112 different generic drugs. Of those 112 different drugs, Teva colluded with its “High Quality” competitors on at least 86 of them (the others were largely in markets where Teva was exclusive). The size of the price increases varied, but a number of them were well over 1,000%.

7. As alleged in the States’ May 10, 2019 Complaint, in July 2014, the State of Connecticut initiated a non-public investigation into price increases for certain generic

pharmaceuticals. Over time, the investigation expanded and Connecticut was joined in its efforts by forty-eight (48) additional states and U.S. territories. The allegations in this Complaint are based primarily on the publicly available information and evidence that UHS has gleaned from the States' investigation. UHS understands the States' investigation to date has included: (1) the review of many thousands of documents produced by dozens of companies and individuals throughout the generic pharmaceutical industry, (2) an industry-wide phone call database consisting of more than 11 million phone call records from hundreds of individuals at various levels of the Defendant companies and other generic manufacturers, and (3) information provided by several as-of-yet unidentified cooperating witnesses who were directly involved in the conduct alleged herein.

8. As a result of the information and evidence learned through that investigation, which is still ongoing, UHS alleges that Defendant Teva consistently and systematically, over a period of several years, along with the other Defendants named herein and other unnamed co-conspirators, engaged in contracts, combinations and conspiracies that had the effect of unreasonably restraining trade, artificially inflating and maintaining prices, and reducing competition in the generic pharmaceutical industry throughout the United States, including but not limited to the markets for well more than one hundred (100) different generic drugs, many of which are identified herein.

9. UHS also alleges that Defendants participated in an overarching conspiracy, the effect of which was to minimize if not thwart competition across the generic drug industry. The overarching conspiracy was effectuated by a series of

conspiracies that affected and continue to affect the market for the generic drugs identified in this Complaint and beyond.

10. UHS focuses here on the role of these named Defendants and their participation in and agreement with this overarching conspiracy and with respect to the generic drugs identified herein. The Complaint describes conspiracies regarding the sale of specific drugs, and how these specific conspiracies are also part of the larger overarching conspiracy. UHS continues to investigate the scope of the overarching conspiracy and additional conspiracies, involving these and other generic drug manufacturers, and regarding the sale of other drugs not identified in this Complaint.

11. Defendants' illegal agreements have raised prices, maintained artificially inflated prices, thwarted Congress's goal to lower the prices of drugs, and thus frustrated the potential of the industry to deliver great value to UHS and others. Generic drugs are pharmaceutically equivalent to the referenced brand-name drug in dosage, form, route of administration, strength or concentration, and amount of active ingredient. Generic drugs can save (and have saved) payors and purchasers of drugs tens of billions of dollars annually because generic drugs are a lower-priced alternative to brand-name drugs. When the manufacturer of a branded drug loses the market exclusivity that comes with patent rights, generic drugs offer lower prices in the United States through genuine competition. A patient with a prescription can have that prescription filled not only with the brand-name drug, but also with a generic version of that drug, if one is available. State laws often require pharmacists to fill prescriptions with generic versions of the drug.

12. Typically, when the first generic manufacturer enters a market for a given drug, the manufacturer prices its product slightly (but still significantly) lower than the brand-name manufacturer. When a second generic manufacturer enters, that reduces the average generic price to nearly half the brand-name price. As additional generic manufacturers market the product, the prices continue to fall. For drugs that attract a large number of generic manufacturers, the average generic price falls to 20% or less of the price of the branded drug.

13. With the Hatch-Waxman Act of 1984, Congress designed the generic drug market to keep costs low, and the market initially operated that way.

14. At some point, that price dynamic changed for many generic drugs. Prices for hundreds of generic drugs have risen, while some have skyrocketed, without explanation, sparking outrage from politicians, payers and consumers across the country whose costs have doubled, tripled, or even increased 1,000% or more. The growing outrage and public reports of unexplained price increases caused the State of Connecticut to commence a non-public investigation in July 2014. Later, the United States Department of Justice Antitrust Division also convened a secret criminal grand jury investigation.

15. Generic drug manufacturers argued publicly that the significant price increases were due to a myriad of benign factors, such as industry consolidation, FDA-mandated plant closures, or elimination of unprofitable generic drug product lines. In fact, however, the reason underlying many of these price increases is much more straightforward – illegal collusion among generic drug manufacturers. Prices of many

generic pharmaceuticals were and remain artificially inflated through collusive bid rigging and market allocation agreements designed to prevent price wars from occurring when key competitive opportunities arise in the marketplace.

16. Generic drug manufacturers, through their senior leadership and marketing, sales and pricing executives, have routine and direct interaction. The Defendants exploited their interactions at various and frequent industry trade shows, customer conferences and other similar events, to develop relationships and sow the seeds for their illegal agreements. These anticompetitive agreements are further refined and coordinated at regular “industry dinners,” “girls’ nights out,” lunches, parties, golf outings, and in frequent telephone calls, e-mails and text messages.

17. The anticompetitive conduct – schemes to fix and maintain prices, allocate markets and otherwise thwart competition – has caused, and continues to cause, significant harm to payors and purchasers of generic pharmaceuticals. Moreover, executives and others at the highest levels in many of the Defendant companies, including but not limited to Ara Aprahamian, David Berthold, James (Jim) Brown, Maureen Cavanaugh, Tracy Sullivan DiValerio, Marc Falkin, James (Jim) Grauso, Kevin Green, Armando Kellum, Jill Nailor, James (Jim) Nesta, Konstantin (Kon) Ostaficiuk, Nisha Patel, David Rekenthaler, and Richard (Rick) Rogerson, among others, conceived, directed and ultimately benefited from these schemes.

18. Defendant Teva is a consistent participant in the conspiracies identified in this Complaint, but the conduct is pervasive and industry-wide. The schemes identified herein are part of a larger, overarching understanding about how generic manufacturers

fix prices and allocate markets to suppress competition. Through its senior-most executives and account managers, Teva participated in a wide-ranging series of restraints with more than a dozen generic drug manufacturers, all of whom knowingly and willingly participated. As a result of these conspiracies, all Defendants reaped substantial monetary rewards.

19. Defendants' anticompetitive conduct falls principally into two categories, the overarching goal being to avoid price erosion and maintain inflated pricing within and across their respective broad product portfolios and, at times, increase pricing for targeted products without triggering a "fight to the bottom" among existing competitors. First, to avoid competing with one another and thus eroding the prices for a myriad of generic drugs, Defendants – either upon their entry into a given generic market or upon the entry of a new competitor into that market – communicated with each other to determine and agree on how much market share and which customers each competitor was entitled to. They then implemented the agreement by either refusing to bid for particular customers or by providing a cover bid that they knew would not be successful.

20. Second, and often in conjunction with the market allocation schemes, competitors in a particular market communicated – either in person, by telephone, or by text message – and agreed to collectively raise and/or maintain prices for a particular generic drug.

21. Defendants here understood and acted upon an underlying code of conduct that is widespread in the generics industry: an expectation that any time a competitor is entering a particular generic drug market, it can contact its competitors and allocate the

market according to a generally agreed-upon standard of “fair share” in order to avoid competing and keep prices high. While different drugs may involve different sets of companies, this background agreement and understanding remains constant and is an important component of the Defendants’ ability to reach agreements for specific drugs.

22. The Defendants knew their conduct was unlawful. The conspirators usually chose to communicate in person or by cell phone, in an attempt to avoid creating a written record of their illegal conduct. The structure of the generic drug industry provided numerous opportunities for collusive communications at trade shows, customer events and smaller, more intimate dinners and meetings. When communications were reduced to writing or text message, Defendants often took overt and calculated steps to destroy evidence of those communications.

23. As a result of the conspiracies identified in this Complaint, payors and purchasers nationwide, including UHS, paid substantially inflated and anticompetitive prices for numerous generic pharmaceutical drugs, and the Defendants illegally profited as a result.

24. UHS seeks a finding that the Defendants’ actions violated federal and state antitrust laws, among others; damages against Defendants, jointly and severally; a permanent injunction preventing the Defendants from continuing their illegal conduct and remedying the anticompetitive effects caused by their illegal conduct; disgorgement of the Defendants’ ill-gotten gains; civil penalties; attorneys’ fees and costs; and other relief as a result of Defendants’ violations of law.

II. JURISDICTION AND VENUE

25. This Court has jurisdiction over this action pursuant to 15 U.S.C. §§ 15 and 26, and 28 U.S.C. §§ 1331 and 1337. Plaintiff asserts claims for relief under Section 1 of the Sherman Act, 15 U.S.C. § 1, and Sections 4 and 16 of the Clayton Act, 15 U.S.C. §§ 15, 26. This Court has jurisdiction over the state law claims alleged in this action pursuant to 28 U.S.C. § 1367, as the state law claims are so related to the federal antitrust claims as to form part of the same case or controversy. Such supplemental or pendant jurisdiction will also avoid unnecessary duplication and multiplicity of actions, and should be exercised in the interests of judicial economy, convenience, and fairness.

26. Venue is proper in this District pursuant to 15 U.S.C. §§ 15(a) and 22, and 28 U.S.C. § 1391. During the relevant time period (at least 2011 to the present), Defendants resided, transacted business, and/or were found or had agents in the United States, including this District. During the alleged time period, Defendants marketed, sold and/or shipped the generic drugs at issue in a continuous and uninterrupted flow of interstate commerce in the United States, including in this District. Defendants' conduct had a direct, substantial, and reasonably foreseeable effect on interstate commerce in the United States, including in this District. Defendants engaged in an unlawful conspiracy to artificially increase prices for the generic drugs at issue that was directed at and had the intended effect of causing injury to persons residing in, located in, or doing business throughout the United States, including in this District, and each Defendant is otherwise subject to the service-of-process provisions of 15 U.S.C. § 22. Throughout the time period alleged herein, there was a continuous and uninterrupted flow of invoices and

other documents essential to the sale and provision of the generic drugs at issue transmitted interstate between and among offices of Defendants and their customers throughout the United States.

27. Defendants are subject to the personal jurisdiction of this Court for any one or more of the reasons stated below:

(a) Defendants are amenable to service of process because, as alleged in this Complaint, each inhabits, transacts business in, has continuous or systematic contacts with, or is found or has sufficient minimum contacts in the United States sufficient to satisfy due process;

(b) Defendants are amenable to service of process because, as alleged in this Complaint, each inhabits, transacts business in, or is found in this District. Defendants headquartered outside this District are nevertheless engaged in the business of developing, manufacturing, distributing, advertising and/or selling generic drugs throughout the United States, including in this District;

(c) Defendants are amenable to service of process because, as alleged in this Complaint, each Defendant belonged to the conspiracy alleged in this Complaint, and one or more of them, and their co-conspirators, performed unlawful acts in furtherance of the conspiracy in or from this District including, without limitation, selling one or more generic drugs at artificially inflated prices;

(d) Defendants are amenable to service of process pursuant to Rule 4(k)(1)(A) of the Federal Rules of Civil Procedure and the long-arm statute of the State in which this Federal Court sits because, inter alia, and as alleged in this Complaint, each

Defendant has transacted business in this District, each Defendant has contracted to supply services or things in this District, and because the District's long-arm statute extends jurisdiction to the limits of due process and each Defendant has sufficient minimum contacts with the District to satisfy due process; and/or

(e) Based on the allegations in this Complaint, Defendants are subject to the general and specific personal jurisdiction of this Court because they have purposefully directed their contacts and conspiratorial conduct at the United States (including the forum District) and have purposefully availed themselves of the laws of the United States. As alleged in this Complaint, each Defendant, either directly, or indirectly through their subsidiaries, engaged in price-fixing activities and anticompetitive conduct that were intended to have, and did have, direct, substantial and reasonably foreseeable effects on the commerce throughout the United States, including this District.

III. THE PARTIES

A. Plaintiff

28. Plaintiff UHS is a corporation organized and existing under the laws of Minnesota with its principal place of business in Hennepin County, Minnesota. It is a wholly owned subsidiary of UnitedHealth Group, Incorporated, which is also headquartered in Minnetonka, Minnesota.

29. UHS is engaged in servicing prescription drug managed care programs provided to members and beneficiaries under insurance plans offered by UHS's subsidiaries and affiliates, which, together, constitute the largest single health insurance

carrier and services provider in the United States, and serve some 70 million individual insureds (“UnitedHealthcare Insureds”).³ UHS is the centralized and primary contracting entity responsible for payments made for pharmaceutical drugs dispensed to UnitedHealthcare Insureds throughout the country. From its headquarters in Hennepin County, Minnesota, UHS negotiated and executed contracts with Pharmacy Benefit Managers (“PBMs”) on behalf of itself and its health plan subsidiaries and affiliates (“UnitedHealthcare Plans”), and during the relevant time period, was (and is) contractually responsible for the payments made under those contracts, including for generic drugs dispensed to UnitedHealthcare Insureds during the relevant time period.

30. UHS is the parent company of, or otherwise an affiliate/related company to, each of the UnitedHealthcare Plans, which issue health insurance to UnitedHealthcare Insureds, including for coverage of prescription drug costs. The UnitedHealthcare Plans issue insurance to UnitedHealthcare Insureds covering prescription drugs in the form of (1) fully insured commercial (“Commercial”) plans; (2) Medicare plans; and (3) Medicaid plans. The UnitedHealthcare Plans provide these prescription drug insurance benefits to UnitedHealthcare Insureds in all 50 states, the District of Columbia, and Puerto Rico. These UnitedHealthcare Plans are listed in the attached Exhibit A.

31. UHS is also an affiliate and the assignee of OptumRx Group Holdings, Inc., OptumRx, Inc., and their wholly owned pharmacy subsidiaries as pertaining strictly to

³ For purposes of this Complaint, UnitedHealthcare Insureds do not include those members of self-insured health plans, also known as self-funded or Administrative Services Only (“ASO”) customers.

the purchases made for or arising out of the business of their wholly owned pharmacy subsidiaries (collectively, “Pharmacy Assignors”). Pharmacy Assignors buy prescription drugs and dispense them to prescribed consumers, on a mail-order or specialty retail pharmacy basis. Pharmacy Assignors have purchased substantial quantities of the generic drugs at issue directly from drug manufacturers, including Defendants and/or their co-conspirators, and have assigned to UHS their claims and the rights to obtain all recoveries arising out of such direct purchases and the matters alleged in this Complaint.

32. By this Complaint, UHS seeks recovery for all unlawful overcharges incurred in connection with paying for generic drugs dispensed to UnitedHealthcare Insureds, including all those receiving insurance or health benefits from any of the UnitedHealthcare Plans (or their predecessors or successors), as well as in connection with direct purchases made by Pharmacy Assignors.

33. UHS is the proper entity to pursue all forms of relief, including damages, for all injury and losses incurred as alleged in this Complaint. In a separate and unrelated antitrust case, defendants, some of which are Defendants in this case, suggested that the UnitedHealthcare Plans were the proper entities to seek indirect purchaser/payor damages recovery for overcharges for drugs dispensed to UnitedHealthcare Insureds. That position is incorrect. Nonetheless, out of an abundance of caution, and to further assure the Court that there is no potential for any duplicative recovery, UHS has obtained assignments from the UnitedHealthcare Plans, conveying to UHS any claims and rights to recoveries they may have in connection with the matters alleged in this Complaint. UHS hereby asserts those assigned claims in the alternative to the claims of UHS, to the

extent that the UnitedHealthcare Plans are found to be sole owners of any claims that are non-duplicative to those of UHS. Accordingly, to the extent that the Court were to find such assignments from the UnitedHealthcare Plans are required for any claims, all subsequent references to “UHS” include both itself and its assignor UnitedHealthcare Plans, unless expressly indicated otherwise.

B. Defendants

34. Defendant Teva Pharmaceuticals USA, Inc. (“Teva”) is a corporation organized and existing under the laws of the State of Delaware with its principal place of business at 1090 Horsham Road, North Wales, Pennsylvania. At all times relevant to the Complaint, Teva has marketed and sold generic pharmaceuticals in this District and throughout the United States.

35. Defendant Actavis Holdco US, Inc. (“Actavis Holdco”) is a corporation organized and existing under the laws of the State of Delaware with its principal place of business in Parsippany, New Jersey. In August 2016, Teva Pharmaceuticals USA, Inc. acquired the Actavis generics business of Allergan plc, including Actavis, Inc. Upon the acquisition, Actavis, Inc. – the acquired Allergan plc generics operating company (formerly known as Watson Pharmaceuticals) – was renamed Allergan Finance, LLC, which in turn assigned all of the assets and liabilities of the former Allergan plc generic business to the newly formed Actavis Holdco, including subsidiaries Actavis Pharma, Inc. and Actavis Elizabeth LLC, among others. Actavis Holdco is a wholly owned subsidiary of Teva Pharmaceuticals USA, Inc., which is a Delaware corporation with its principal place of business in North Wales, Pennsylvania.

36. Defendant Actavis Pharma, Inc. is a Delaware corporation with its principal place of business at 400 Interpace Parkway, Parsippany, New Jersey. It is a wholly owned subsidiary of Actavis Holdco and is a principal operating company in the U.S. for Teva's generic products acquired from Allergan plc. It manufactures, markets, and/or distributes generic pharmaceuticals.

37. Defendant Actavis Elizabeth LLC ("Actavis Elizabeth") is a corporation organized and existing under the laws of the State of Delaware with its principal place of business at 200 Elmora Avenue, Elizabeth, New Jersey. It is a wholly owned subsidiary of Actavis Holdco and is a research, development, and manufacturing entity for Actavis generic operations. Unless addressed individually, Actavis Holdco, Actavis Pharma, Inc., and Actavis Elizabeth are collectively referred to herein as "Actavis." At all times relevant to the Complaint, Actavis has marketed and sold generic pharmaceuticals in this District and throughout the United States, and each entity has participated in the conspiracy alleged in this Complaint, either on its own or through its owned and controlled subsidiaries/affiliates, and knowingly received proceeds of the unlawful conduct.

38. Defendant Amneal Pharmaceuticals, Inc. ("Amneal") is a corporation organized and existing under the laws of the state of Delaware, with its principal place of business at 400 Crossing Boulevard, Bridgewater, New Jersey. At all times relevant to the Complaint, Amneal has marketed and sold generic pharmaceuticals in this District and throughout the United States.

39. Defendant Apotex Corp. (“Apotex”) is a corporation organized and existing under the laws of the State of Delaware. Its principal place of business is 2400 North Commerce Parkway, Weston, Florida. At all times relevant to the Complaint, Apotex has marketed and sold generic pharmaceuticals in this District and throughout the United States.

40. Defendant Aurobindo Pharma U.S.A., Inc. (“Aurobindo”) is a corporation organized and existing under the laws of the State of Delaware with its principal place of business at 6 Wheeling Road, Dayton, New Jersey. At all times relevant to the Complaint, Aurobindo has marketed and sold generic pharmaceuticals in this District and throughout the United States.

41. Defendant Breckenridge Pharmaceutical, Inc. (“Breckenridge”) is a Delaware corporation with its principal place of business at 1 Passaic Avenue, Fairfield, New Jersey. At all times relevant to the Complaint, Breckenridge has marketed and sold generic pharmaceuticals in this District and throughout the United States.

42. Defendant Camber Pharmaceuticals, Inc. (“Camber”) is a corporation organized and existing under the laws of the State of Delaware with its principal place of business at 1031 Centennial Avenue, Piscataway, New Jersey. At all times relevant to the Complaint, Camber has marketed and sold generic pharmaceuticals in this District and throughout the United States.

43. Defendant Dr. Reddy’s Laboratories, Inc. (“Dr. Reddy’s”) is a corporation organized and existing under the laws of the State of New Jersey with its principal place of business at 107 College Road East, Princeton, New Jersey. At all times relevant to the

Complaint, Dr. Reddy's has marketed and sold generic pharmaceuticals in this District and throughout the United States.

44. Defendant Glenmark Pharmaceuticals Inc., USA ("Glenmark") is a corporation organized and existing under the laws of the State of Delaware with its principal place of business at 750 Corporate Drive, Mahwah, New Jersey. At all times relevant to the Complaint, Glenmark has marketed and sold generic pharmaceuticals in this District and throughout the United States.

45. Defendant Lannett Company, Inc. ("Lannett") is a corporation organized and existing under the laws of the State of Delaware with its principal place of business at 9000 State Road, Philadelphia, Pennsylvania. At all times relevant to the Complaint, Lannett has marketed and sold generic pharmaceuticals in this District and throughout the United States.

46. Defendant Lupin Pharmaceuticals, Inc. ("Lupin") is a corporation organized and existing under the laws of the State of Delaware with its principal place of business at Harborplace Tower, 111 S. Calvert Street, 21st Floor, Baltimore, Maryland. Lupin is a wholly owned subsidiary of Lupin Limited, an Indian company with its principal place of business in Mumbai, India. At all times relevant to the Complaint, Lupin has marketed and sold generic pharmaceuticals in this District and throughout the United States.

47. Defendant Mylan Pharmaceuticals Inc. ("Mylan Pharma") is a corporation organized and existing under the laws of the State of Delaware with its principal place of business at 1000 Mylan Boulevard, Canonsburg, Pennsylvania.

48. Defendant Mylan Inc. is a corporation organized and existing under the laws of the State of Pennsylvania with its principal place of business at 1000 Mylan Boulevard, Canonsburg, Pennsylvania. Mylan Inc. is the parent company and owner of Mylan Pharma.

49. Defendant Mylan N.V. is a Dutch corporation with its principal place of business and global headquarters at 1000 Mylan Boulevard, Canonsburg, Pennsylvania. Mylan N.V. is the direct parent corporation and owner of Mylan Inc. and the ultimate parent and owner of Mylan Pharma. Unless addressed individually, Mylan Pharma, Mylan Inc., and Mylan N.V. are collectively referred to herein as “Mylan.” At all times relevant to the Complaint, Mylan has marketed and sold generic pharmaceuticals in this District and throughout the United States, and each entity has participated in the conspiracy alleged in this Complaint, either on its own or through its owned and controlled subsidiaries/affiliates, and knowingly received proceeds of the unlawful conduct. In addition, during the time period relevant to this Complaint, Defendant Mylan N.V. purposefully directed its activities at the United States (including the forum state) and also purposefully derived the benefit of conspiracy proceeds taken from the United States (including the forum state).

50. Defendant Par Pharmaceutical Companies, Inc. is a corporation organized and existing under the laws of the State of Delaware with its principal place of business at One Ram Ridge Road, Chestnut Ridge, New York.

51. Defendant Par Pharmaceutical, Inc. is a corporation organized and existing under the laws of the New York with its principal place of business located at One Ram

Ridge Road, Chestnut Ridge, New York. Par Pharmaceutical, Inc., which also does business as “Par Pharmaceutical,” is a wholly owned and direct subsidiary of Par Pharmaceutical Companies, Inc.

52. Defendant Endo International plc (“Endo”) is an Irish company with its principal place of business in Dublin, Ireland, and its U.S. headquarters located at 1400 Atwater Drive, Malvern, Pennsylvania. Endo is the ultimate parent and owner of both Par Pharmaceutical Companies, Inc. and Par Pharmaceutical, Inc. Unless addressed individually, Par Pharmaceutical Companies, Inc., Par Pharmaceutical, Inc., and Endo are collectively referred to herein as “Par.” At all times relevant to the Complaint, Par has marketed and sold generic pharmaceuticals in this District and throughout the United States, and each entity has participated in the conspiracy alleged in this Complaint, either on its own or through its owned and controlled subsidiaries/affiliates, and knowingly received proceeds of the unlawful conduct. In addition, during the time period relevant to this Complaint, Defendant Endo purposefully directed its activities at the United States (including the forum state) and also purposefully derived the benefit of conspiracy proceeds taken from the United States (including the forum state).

53. Defendant Sandoz, Inc. (“Sandoz”) is a corporation organized and existing under the laws of the State of Colorado, with its principal place of business at 100 College Road West, Princeton, New Jersey. Sandoz is a subsidiary of Novartis AG, a global pharmaceutical company based in Basel, Switzerland. At all times relevant to the Complaint, Sandoz has marketed and sold generic pharmaceuticals in this District and throughout the United States.

54. Defendant Taro Pharmaceuticals USA, Inc. (“Taro”) is a corporation organized and existing under the laws of the State of New York, with its principal place of business at 3 Skyline Drive, Hawthorne, New York. At all times relevant to the Complaint, Taro marketed and sold generic pharmaceutical drugs in this District and throughout the United States.

55. Defendant Upsher-Smith Laboratories, LLC (formerly known as Upsher-Smith Laboratories, Inc.) (“Upsher-Smith”), is a Minnesota limited liability company located at 6701 Evenstad Drive, Maple Grove, Minnesota. Upsher-Smith is a subsidiary of Sawaii Pharmaceutical Co., Ltd., a large generics company in Japan. At all times relevant to the Complaint, Upsher-Smith has marketed and sold generic pharmaceuticals in this District and throughout the United States.

56. Defendant Versapharm, Inc. (“Versapharm”) is a corporation organized and existing under the laws of the State of Georgia with its principal place of business at 1775 West Oak Parkway, Suite 800, Marietta, Georgia. At all times relevant to the Complaint, Versapharm has marketed and sold generic pharmaceuticals in this District and throughout the United States.

57. Defendant Wockhardt USA LLC (“Wockhardt”) is a Delaware limited liability company located at 20 Waterview Boulevard, 3rd Floor, Parsippany, New Jersey. At all times relevant to the Complaint, Wockhardt has marketed and sold generic pharmaceuticals in this District and throughout the United States.

58. Defendant Zydus Pharmaceuticals (USA), Inc. (“Zydus”) is a corporation organized and existing under the laws of the State of New Jersey with its principal place

of business at 73 Route 31 North, Pennington, New Jersey. At all times relevant to the Complaint, Zydus has marketed and sold generic pharmaceuticals in this District and throughout the United States.

59. Whenever any reference is made in any allegation of the Complaint to any representation, act or transaction of Defendants, or any agent, employee or representative thereof, such allegation shall be deemed to mean that such principals, officers, directors, employees, agents or representatives of Defendants, while acting within the scope of their actual or apparent authority, whether they were acting on their own behalf or for their own benefit, did or authorized such representations, acts or transactions on behalf of Defendants, respectively.

IV. FACTS SUPPORTING THE LEGAL CLAIMS

A. Factual Support For The Allegations

60. The allegations in this Complaint are supported and corroborated by facts and evidence that includes but is not limited to those set forth below.

61. During the course of their investigation, the States have issued over 30 subpoenas to various generic drug manufacturers, individuals and third parties, and have compiled over 7 million documents in a shared document review platform.

62. The States have also issued more than 300 subpoenas to various telephone carriers, and have obtained phone call and text message records for numerous companies and individuals throughout the generic pharmaceutical industry.

63. Defendant Teva has, at all times relevant to the Complaint, maintained a live database that it refers to as Delphi where it has catalogued nearly every decision it

has made regarding the products it sells, including those decisions that were made collusively – which Teva often referred to as “strategic” decisions. Although neither UHS nor the States have been provided with full access to that important database from Teva, the States have obtained static images of the database that were internally disseminated over time by Teva, which were referred to as Market Intel Reports. To date, over 300 instances of collusion have been identified where Teva spoke to competitors shortly before or at the time it made what the company referred to as a “strategic” market decision. A number of those instances are detailed throughout this Complaint.

64. During the course of their investigation to date, the States have also obtained valuable cooperation from a number of individuals. The expected testimony from certain of those individuals will directly support and corroborate the allegations throughout this Complaint. Some of those cooperating witnesses include:

- a) A former pricing executive at Defendant Sandoz during the time period relevant to this Complaint [referred to herein as CW-1];
- b) A former sales and marketing executive at Rising Pharmaceuticals, Inc. (“Rising”) and Defendant Sandoz during the time period relevant to this Complaint [referred to herein as CW-2];
- c) A former senior sales executive at Defendant Sandoz during the time period relevant to this Complaint [referred to herein as CW-3];
- d) A former senior sales executive at Defendant Sandoz during the time period relevant to this Complaint [referred to herein as CW-4];
- e) A former senior executive at Defendant Glenmark during the time period

relevant to this Complaint [referred to herein as CW-5]; and

f) Jason Malek (“Malek”), former Vice President of Commercial Operations at Heritage Pharmaceuticals, Inc. (“Heritage”).

B. The Generic Drug Market

1. The Hatch-Waxman Act

65. In 1984, Congress enacted the Drug Price Competition and Patent Term Restoration Act, commonly known as the “Hatch-Waxman” Act. Its intention was to balance two seemingly contradictory interests: encouraging drug innovation, and promoting competition between brand and generic drugs in order to lower drug prices. To encourage innovation, Hatch-Waxman gave branded drug manufacturers longer periods of market exclusivity for newly-approved products; this increased the financial returns for investment in drug research and development.

66. To promote price competition, the law established a new regulatory approval pathway for generic products to help ensure that generic drugs became available more quickly following patent expiration. To gain approval for a new drug, drug manufacturers must submit a new drug application (“NDA”) to the United States Food and Drug Administration (“FDA”) showing that the new drug is safe and effective for its intended use. Developing a new drug and obtaining an NDA can take many years and cost tens or hundreds of millions of dollars.

67. The Hatch-Waxman Act encouraged faster approval for generic versions of brand-name drugs through the use of “abbreviated new drug applications” (“ANDAs”). These applications rely on the safety and efficacy evidence previously submitted by the

branded drug manufacturer, permitting generic manufacturers to avoid conducting costly and duplicative clinical trials.

68. Hatch-Waxman succeeded in both of its goals. Since the law was passed in 1984, generic drugs have moved from being less than 20% of prescriptions filled in the United States to nearly 90% of prescriptions filled. At the same time, innovation has continued to lead to many new and helpful drugs.

2. The Importance Of Generic Drugs

69. Like their branded counterparts, generic drugs are used in the diagnosis, cure, mitigation, treatment or prevention of disease and, thus, are integral components in modern healthcare, improving health and quality of life for nearly all people in the United States. In 2015, sales of generic drugs in the United States were estimated at \$74.5 billion dollars. Today, the generic pharmaceutical industry accounts for nearly 90% of all prescriptions written in the United States.

70. A branded drug manufacturer that develops an innovative drug can be rewarded with a patent granting a period of exclusive rights to market and sell the drug. During this period of patent protection, the manufacturer typically markets and sells its drug under a brand name, and the lack of competition can permit the manufacturer to set its prices extremely high.

71. Once the brand-name drug's exclusivity period ends, additional firms that receive FDA approval are permitted to manufacture and sell "generic" versions of the brand-name drug. As generic drugs enter the market, competition typically leads to dramatic reductions in price. Generic versions of brand-name drugs are priced lower than

the brand-name versions. Under most state laws, generic substitution occurs automatically, unless the prescriber indicates on the prescription that the branded drug must be “dispensed as written.” As additional manufacturers enter a particular drug market, competition pushes the price down much more dramatically. Often, the price of a generic drug will end up as low as 20% of the branded price or even lower. For this reason, generic drugs have long been referred to as one of the few “bargains” in the United States healthcare system.

72. Where there is genuine competition, the savings offered by generics drugs over their brand-name equivalents provide tremendous benefits to purchasers and health care payors.

3. The Players In The Drug Distribution System

73. The United States prescription drug distribution system includes entities that are involved at various levels before prescription drugs are ultimately dispensed or delivered to end users and paid for by end payors.

a. Manufacturers/Suppliers

74. Drug manufacturers are the source of the prescription drugs in the pharmaceutical supply chain. Unlike branded drug manufacturers, generic manufacturers typically do not develop new drug therapies, but instead manufacture generic drugs that can be substituted (often automatically under state law) for the branded drug after expiration of the brand’s exclusivity. Generic pharmaceuticals can be manufactured in a variety of forms, including tablets, capsules, injectables, inhalants, liquids, ointments and creams. A manufacturer seeking to sell a “new drug” in the United States (including

generic versions of previously approved drugs) must obtain approval from the FDA, which evaluates many factors, including drug safety, efficacy, raw material suppliers, manufacturing processes, labeling and quality control.

75. Generic drug manufacturers operate manufacturing facilities, and compete with each other to sell the generic drugs they produce to wholesalers, distributors, and in many cases, directly to retail pharmacy chains, mail-order and specialty pharmacies (such as UHS' Pharmacy Assignors), and hospital chains.

76. Generic drug manufacturers also sell some of their drugs through auctions to different purchasers in the supply chain, e.g., group purchasing organizations, retail pharmacies and supermarket chains with pharmacies.

77. In marketing their generic drugs, manufacturers often do not attempt to differentiate their products because, primarily, a generic drug is a commodity. Consequently, competition is dictated by price and supply. As a result, generic drug manufacturers usually all market the drug under the same name, which is the name of the active ingredient (e.g., Acetazolamide).

78. Drug suppliers include the manufacturers themselves, as well as other companies that have agreements to sell or distribute certain generic pharmaceutical drugs manufactured by another company. The Defendants in this action are all drug manufacturers and suppliers who compete with one another for the sale of generic pharmaceutical drugs which are ultimately sold and dispensed throughout the United States.

79. Drugs sold in the United States may be manufactured either domestically or abroad. Many manufacturers that produce drugs for the United States market are owned by, or are, foreign companies. Generic drugs may be manufactured by the same companies that manufacture brand-name drugs (even in the same factories), or may come from companies that manufacture generics exclusively. Drug manufacturers typically sell their products through supply agreements negotiated with their customers.

80. Generic manufacturers report certain benchmark or list prices for each generic drug that they offer, including the average wholesale price (“AWP”) and wholesale acquisition cost (“WAC”); these sometimes serve as benchmarks, but given the different characteristics of different buyers and the nature of individual negotiations, a manufacturer will frequently supply the same generic drug at several different prices depending on the customer or type of customer.

81. The corporate Defendants in this case are among the largest generic pharmaceutical manufacturers in the industry. Each has a broad portfolio of generic drugs which it sells to distributors, retailers and group purchasing organizations, many of whom have a nationwide presence. Competitors for particular pharmaceutical products vary given the shifting pharmaceutical landscape as drugs lose exclusivity, and as manufacturers decide to enter or exit an existing drug market. At all times relevant to this Complaint, every Defendant’s portfolio remained broad, and was marketed to customers across the United States.

82. The generic pharmaceutical portfolios of the Defendants run the gamut of indications, servicing a wide range of health needs. These include potentially less

common health problems such as human immunodeficiency virus (HIV) treated with Lamivudine/Zidovudine and long-term kidney disease treated by Paricalcitol, as well as more commonplace conditions such as high blood pressure treated with medications including Clonidine-TTS Patch, Irbesartan, Moexipril HCL and Enalapril Maleate, high cholesterol treated with medications such as Fenofibrate, Pravastatin or Niacin ER, and attention deficit hyperactivity disorder (ADHD) treated by Dexmethylphenidate or Amphetamine/Dextroamphetamine.

83. Taken together, Defendants’ direct customers (including Pharmacy Assignors) and indirect payors (including UHS) purchase and/or pay for a wide range of generic pharmaceutical products, in enormous volumes. Defendants’ business plans and strategies for their broad portfolios focus on the nationwide supply and demand chain.

b. Wholesalers/Distributors

84. Wholesalers and distributors purchase pharmaceutical products from manufacturers and distribute them to a variety of customers, including some pharmacies, hospitals, long-term care and other medical facilities. Some wholesalers sell to a broad range of customers while others specialize in sales of particular products (e.g., biologic products) or sales to a particular type of customer (e.g., nursing homes).

85. Wholesalers and distributors have similar business models, but distributors typically provide more services to their customers. Some of the largest wholesalers and distributors of generic drugs include AmerisourceBergen Corporation (“ABC”), Cardinal Health, Inc. (“Cardinal”), H.D. Smith, LLC (“HD Smith”), McKesson Corporation (“McKesson”) and Morris & Dickson, LLC (“Morris & Dickson”).

c. Group Purchasing Organizations (GPOs)

86. Group purchasing organizations (“GPOs”) are membership-based entities that negotiate with manufacturers, wholesalers, and distributors on behalf of a large group of purchasers. GPOs leverage their buying power to obtain better prices and terms for their members, and assist buyers in trade relations and contract management with sellers. GPOs have formed to serve state and local governments, hospital groups, retail pharmacies, and supermarket chains. Some of the GPOs who sell large volumes of Defendants’ generic products for distribution nationwide include Vizient (formerly Novation), Premier, Inc. (“Premier”), Intalere (formerly Amerinet), the Minnesota Multistate Contracting Alliance for Pharmacy (“MMCAP”) and Econdisc Contracting Solutions (“Econdisc”).

d. Pharmacy and Supermarket Chains

87. Pharmacies are the final step on the pharmaceutical supply chain before drugs physically reach the consumer or insured, and are paid for by health insurance third-party payors (such as UHS). There are several types of pharmacies, including chain and independent retail pharmacies, pharmacies in supermarkets and other large retail establishments, and specialty and mail- order pharmacies (such as UHS’s Pharmacy Assignors). When a retail pharmacy or supermarket chain purchases generic drugs on a large enough scale, manufacturers often agree to contract with them directly. In addition to UHS’s’ Pharmacy Assignors, retailers large enough to purchase drugs directly from manufacturers include companies such as Rite Aid Corporation (“Rite Aid”), CVS Health

(“CVS”), The Walgreen Company (“Walgreens”), Wal- Mart Stores, Inc. (“Walmart”), Target Corporation, and Publix Super Markets, Inc. (“Publix”).

4. The Cozy Nature Of The Industry And Opportunities For Collusion

88. The generic drug market is structured in a way that allows generic drug manufacturers, including but not limited to the Defendants, to interact and communicate with each other directly and in person, on a frequent basis.

a. Trade Association and Customer Conferences

89. Some customers of the Defendants including (a) large wholesalers or distributors like ABC, Cardinal, HD Smith, McKesson and Morris & Dickson, and (b) GPOs like Premier, MMCAP and Econdisc, hold multi-day conferences throughout the year in various locations throughout the United States. Generic manufacturers from across the United States are invited to attend.

90. Additionally, the Defendants and other generic drug manufacturers also attend various industry trade shows throughout the year, including those hosted by the National Association of Chain Drug Stores (“NACDS”), Healthcare Distribution Management Association (“HDMA”) (now the Healthcare Distribution Alliance), the Generic Pharmaceutical Association (“GPhA”) and Efficient Collaborative Retail Marketing (“ECRM”), in a variety of locations throughout the United States.

91. At these various conferences and trade shows, sales representatives from many generic drug manufacturers, including Defendants, interact with each other and discuss their respective businesses and customers. Many of these conferences and trade

shows include organized recreational and social events such as golf outings, lunches, cocktail parties and dinners that provide additional opportunities to meet with competitors. Defendants use these opportunities to discuss and share competitively-sensitive information concerning upcoming bids, specific generic drug markets, pricing strategies and pricing terms in their contracts with customers.

92. These trade shows and customer conferences provide generic drug manufacturers, including but not limited to the Defendants, with ample opportunity to meet, discuss, devise and implement a host of anticompetitive schemes that unreasonably restrain competition in the United States' market for generic drugs.

b. Industry Dinners and Private Meetings

93. In addition to these frequent conferences and trade shows, senior executives and sales representatives gather in smaller groups, allowing them to further meet face-to-face with their competitors and discuss competitively sensitive information.

94. Many generic drug manufacturers, including several of the Defendants, are headquartered in close proximity to one another in New Jersey or eastern Pennsylvania, giving them additional opportunities to foster connections and meet and collude. At least forty-one (41) different generic drug manufacturers are concentrated between New York City and Philadelphia, including, among others, Defendants Actavis, Aurobindo, Breckenridge, Dr. Reddy's, Glenmark, Lannett, Par, Sandoz, Taro, Teva, Wockhardt, Zydus, and non-Defendant co-conspirator Greenstone LLC ("Greenstone").⁴

⁴ At this time, UHS does not assert any legal claims or seek recovery against Greenstone.

95. High-level executives of many generic drug manufacturers get together periodically for what some of them refer to as “industry dinners.” For example, in January 2014, at a time when the prices of a number of generic drugs were reportedly soaring, at least thirteen (13) high-ranking executives, including CEOs, Presidents and Senior Vice Presidents of various generic drug manufacturers, met at a steakhouse in Bridgewater, New Jersey. Executives (including Berthold, Falkin and Ostaficiuk) from Defendants Actavis, Aurobindo, Breckenridge, Dr. Reddy’s and Lannett, among many other generic manufacturers, attended this particular dinner.

96. At these industry dinners, one company is usually responsible for paying for all of the attendees. For example, in a group e-mail conversation among the competitors in December 2013, one of the participants – a high-ranking executive for Defendant Dr. Reddy’s – joked “[y]ou guys are still buying for Mark and I, right?” The response from another executive: “Well. . . I didn’t think the topic would come up so quickly but . . . we go in alphabetical order by company and [a generic drug manufacturer not identified in this Complaint as a conspirator] picked up the last bill. . . . PS. . . . no backing out now! Its [sic] amazing how many in the group like 18 year-old single malt scotch when they aren’t buying.”

97. Other groups of competitors gather routinely for golf outings, where they have the opportunity to spend several days at a time together without interruption. One such annual event was organized by a packaging contractor in Kentucky. From September 17-19, 2014, for example, high-level executives from Defendants Teva, Apotex, Actavis, Amneal, Lannett, Par, Zydus and others were invited to a gathering at a

country club in Bowling Green, Kentucky where they would play golf all day and socialize at night. Rekenthaler was in attendance with high-level executives from Defendants Lannett, Amneal, Apotex, Wockhardt and other generic manufacturers. Rekenthaler and a high-level executive from Apotex, J.H., actually stayed together in the home of the owner of the packaging company that sponsored the event. At the conclusion of the outing, one of the executives –Ostaficiuk – sent an e- mail to the other attendees, stating: “This is a crazy biz but I am grateful to have friends like all of you!!!! Happy and honored to have you all as ‘fraternity brothers.’” As discussed more fully below in Section IV.C.6.a, Rekenthaler and Ostaficiuk used this golf outing as an opportunity to negotiate Defendant Camber’s anticompetitive entry into the market for two different Teva drugs.

98. Some generic pharmaceutical sales representatives also get together regularly for what they refer to as a “Girls Night Out” (“GNO”), or alternatively “Women in the Industry” meeting or dinner. During these events, the sales representatives meet with their competitors and discuss competitively sensitive information.

99. Many “Women in the Industry” dinners were organized by A.S., a salesperson from non-Defendant Heritage Pharmaceuticals, Inc. who resides in the State of Minnesota. Other participants in these meetings were employees of generic drug manufacturers located in Minnesota, or salespeople residing in the area. However, out-of-town sales representatives were also aware of these dinners and were included when in the area. For example, in November 2014, Tracy Sullivan DiValerio (“Sullivan”) of Defendant Lannett sent A.S. a text message asking “[w]hen is your next industry women

event? I'm due for a trip out there and I'd love to plan for it if possible...." A.S. responded: "There is an XMas [sic] party at Tanya's house on Dec 6th. Yes that is a Saturday. We do it about once a quarter and usually it is during the week -- this was an exception."

100. Sometimes dinners were also planned around visits of out-of-town competitors. As A.S. stated in organizing the dinner:

Sorry if the meeting/dinner invite is a little short notice, but [K.N., a National Account Representative at Defendant Dr. Reddy's] will [be] in MN on Sept 29th and it would be a great time for everyone to get together! So much has been happening in the industry too -- we can recap all our findings from NACDS [trade show] over a martini or glass of wine! :) Plus the food is super Yummy!

101. Several different GNOs were held in 2015, including: (1) at the ECRM conference in February (involving Defendants Dr. Reddy's, Lannett, Teva, Upsher-Smith and Zydus, among others, and individuals Nailor and Sullivan); (2) in Baltimore in May (involving Defendants Dr. Reddy's, Lupin and Teva among others); and (3) at the NACDS conference in August (involving Defendant Dr. Reddy's among others).

5. The Overarching Conspiracy Between Generic Drug Manufacturers –Playing Nice In The Sandbox

102. As a result of these communications, sales and marketing executives in the generic pharmaceutical industry are well aware of their competitors' current and future business plans. This reciprocal sharing of inside information greatly facilitates agreements among competitors to allocate markets to avoid price competition.

103. The overarching conspiracy among generic manufacturers, however – which ties together all of the agreements on individual drugs identified in this Complaint – is an agreed- upon code that each competitor is entitled to its “fair share” of the market, whether that market is a particular generic drug, or a number of generic drugs. Coined “fair share,” the term is generally understood as an approximation of how much market share each competitor is entitled to, based on the number of competitors in the market, with a potential adjustment based on the timing of entry. Once a manufacturer has achieved its “fair share,” it is generally understood that the competitor will no longer compete for additional business. The common goal or purpose of this overarching agreement is to keep prices high, avoid price erosion and serve as the basis for further supra-competitive price increases.

104. This overarching agreement is widespread across the generic drug industry and is broader than the Defendant manufacturers named in this Complaint. UHS focuses here on the role of these named Defendants and their participation in, and agreement with, this overarching conspiracy. This Complaint describes conspiracies regarding the sale of specific drugs, and how these specific conspiracies are also part of the larger overarching conspiracy.

105. The exact contours of this “fair share” understanding, which has been in place for many years (and pre-dates any of the specific conduct detailed herein), has evolved over time during the numerous in-person meetings, telephonic communications, and other interactions between generic manufacturers about specific drugs. These business and social events occur with such great frequency that there is an almost

constant ability for Defendants to meet in person and discuss their business plans. For example, between February 20, 2013 and December 20, 2013 (a 41-week period), there were at least forty-four (44) different tradeshow or customer conferences where the Defendants had the opportunity to meet in person. These in-person meetings gave the Defendants the opportunity and cover to have these conversations, and reach these agreements, without fear of detection.

106. As described in more detail below, when necessary, this larger understanding was reinforced through phone calls and text messages between the Defendants to discuss “fair share” and the desire to maintain or raise prices with respect to specific drugs. These types of communications occur with great frequency across the industry, including among Defendants.

107. For example, from the period of January 1, 2013 through December 31, 2013, senior sales executives and other individuals responsible for the pricing, marketing and sales of generic drugs at Defendant Teva spoke to representatives of every significant competitor by phone and/or text on multiple occasions. Phone calls and text messages with several of those key competitors during the 2013 calendar year are set forth below. The following Table (Table 1), which is conservative because it is based on phone and text message records from only some of the executives and salespeople at issue, and therefore shows only some of the phone calls and text messages between the Defendants during that period, sheds some light on the frequency with which Defendants communicated with each other throughout 2013.

Table 1

**Teva phone/text communications with other Defendants (by month)
January 1, 2013 – December 31, 2013**

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Totals
Actavis	2	2	0	7	27	1	17	12	15	40	13	47	183
Glenmark	0	3	0	0	26	9	6	8	1	12	14	16	95
Greenstone	2	0	20	1	4	5	6	1	0	2	7	11	59
Lupin	10	5	9	3	33	9	19	9	5	13	6	0	121
Mylan	31	47	32	37	33	26	26	16	1	1	0	11	261
Sandoz	17	5	4	4	12	16	18	14	3	0	9	2	104
Taro	0	0	0	0	2	1	8	11	0	11	1	1	35
Zydus	13	23	42	20	30	40	59	21	34	148	58	43	531
Totals	75	85	107	72	167	107	159	92	59	227	108	131	1389

108. Of the 1,389 calls listed in Table 1, 1,234 of them – or 89% – involved Green, Patel and Rekenthaler of Teva speaking with competitors. Many – though not all – of those communications involve matters that are addressed throughout this Complaint.

109. Similarly, from the period of January 1, 2014 through December 31, 2014, senior sales executives and other individuals responsible for the pricing, marketing and sales of generic drugs at Defendant Teva continued to speak to representatives of every significant competitor by phone and/or text on multiple occasions. Phone calls and text messages with several of those key competitors during the 2014 calendar year are set forth below. The following Table (Table 2), which is conservative because it is based on phone and text message records from only some of the executives and salespeople at issue, and therefore shows only some of the phone calls and text messages between the Defendants during that period, sheds similar light on the frequency with which Defendants communicated with each other throughout 2014.

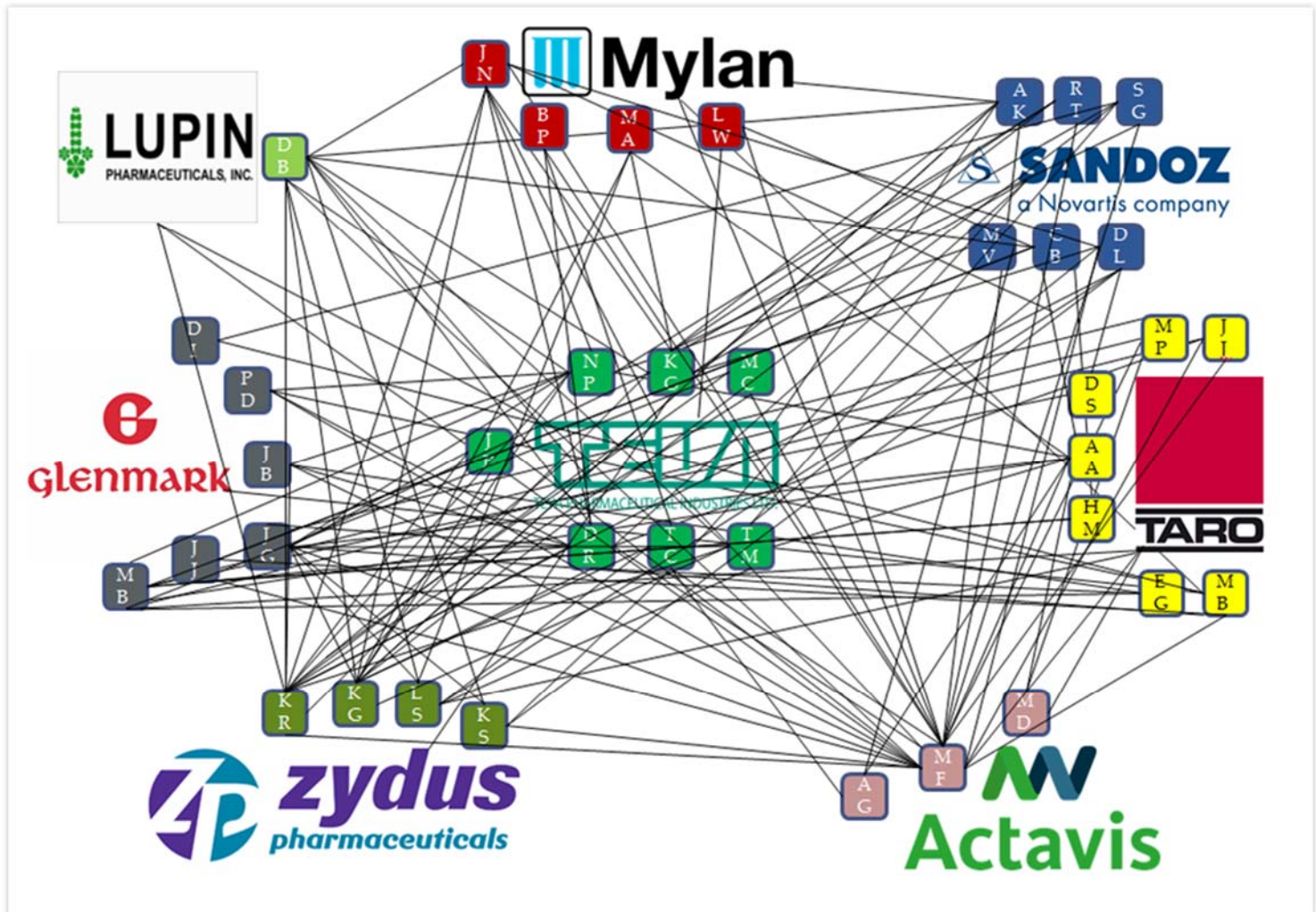
Table 2

**Teva phone/text communications with other Defendants (by month)
January 1, 2014 – December 31, 2014**

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Totals
Actavis	31	17	47	42	76	9	38	24	36	23	8	14	365
Glenmark	4	11	11	7	7	2	9	6	1	6	3	3	70
Greenstone	17	3	13	3	1	1	6	1	9	0	0	0	54
Lupin	11	5	13	4	0	0	0	0	0	0	0	0	33
Mylan	6	1	1	1	7	2	0	10	13	5	2	9	57
Sandoz	5	10	7	10	0	1	28	7	4	1	6	3	82
Taro	1	1	7	4	17	16	5	2	1	0	0	1	55
Zydus	18	36	44	24	37	14	19	15	5	5	4	4	225
Totals	93	84	143	95	145	45	105	65	69	40	23	34	941

110. Of the 941 calls listed in Table 2, 778 of them – or 83% – involved Patel and Rekenhtaler of Teva speaking with competitors (by this time, Green no longer worked at Teva). Many – though not all – of those communications involve matters that are addressed throughout this Complaint.

111. It was not just Teva personnel speaking to their competitors, however. All of these individuals were speaking to each other, when needed, hundreds or even thousands of times to ensure adherence to the overarching conspiracy. Because it would be too voluminous to list the total number of calls among all of the Defendants, the following graphic shows the interlocking web of communications and relationships between just some of the individuals employed by Teva and its key competitors. Each line in the graphic below demonstrates that at least one phone call or text message was sent between those individuals (identified by their initials) while they were competitors. For many of these individuals, there were hundreds of calls and texts with competitors, but the volume of those communications is not captured by this graphic.



112. In order to provide some organizational principle around the massive amount of collusive behavior by the Defendants described in this Complaint, certain sections are centered around the relationship between Defendant Teva and another conspirator. However, this convenience should not imply that the Complaint is solely concerned with bilateral relationships involving Teva.

113. The specific drug agreements often involve overlapping sets of Defendants in communication with each other, all following their agreed-upon “fair share” code of conduct. For example, to view only a small portion of the interlocking, overlapping web

of collusion formed by Defendants: Teva, Taro and Wockhardt discussed amongst themselves the allocation of the Enalapril Maleate market; Teva and Taro communicated with Sandoz concerning the prices for Ketoconazole Cream; Sandoz worked with Mylan to allocate the market for Valsartan HCTZ; Teva, Mylan and Par all communicated with each other in the spring of 2014 concerning the market for Budesonide DR Capsules. These are not isolated, one-off agreements, but rather demonstrate the ongoing, sprawling nature of the Defendants' overarching conspiracy.

114. Referred to sometimes as the "rules of engagement" for the generic drug industry, the fair share understanding among Defendants dictates that when two generic manufacturers enter the market at the same time, they generally expect that each competitor is entitled to approximately 50% of the market. When a third competitor enters, each competitor expects to obtain 33% share; when a fourth competitor enters, each expects 25%; and so on, as additional competitors enter the market.

115. When a generic drug manufacturer is the first to enter a particular drug market on an exclusive basis it is commonly understood that that manufacturer is entitled to a little more than its proportional share of the market. For example, when Defendant Dr. Reddy's was about to enter the market for a drug in January 2013, the Vice President of Sales and Marketing explained during negotiations with his competitor that "he views it this way. If they [Dr. Reddy's] are first and others come out after, he deserves 60%. If he launches with others on day [one], he considers fair share 2-50%, 3-33%, 4-25%, etc."

116. Conversely, those generic manufacturers that enter later are typically entitled to a little less than their proportional share. One of the many examples of this

occurred in March 2014, when – as discussed more fully below – Defendant Lupin entered the Niacin ER market after Defendant Teva had previously been exclusive. Patel of Teva and Berthold of Lupin spoke directly by phone a number of times during this period, including three (3) calls on March 24, 2014. That same day, Rekenthaler of Teva sent an internal e-mail to Patel specifically targeting their anticompetitive scheme at UHS’s Pharmacy Assignors, stating: “We should concede **Optum** then defend everything else. This should be it for Lupin. I believe this should be the 40% we were okay with conceding.” Here, Teva’s expectation to maintain 60% share in a two-player market, after being the first in that market, was consistent with the overarching conspiracy.

117. Defendant Taro went so far as to create a graphic representation of that understanding, taking into account both the number of competitors and order of entry to estimate what its “fair share” should be in any given market:

Market Share - Fair Unit Share assumptions
Order of Entry Grid
Number of Competitors

Number of Competitors		1	2	3	4	5	6	7
Order of Entry	1	100%	60%	45%	35%	30%	30%	30%
	2		40%	35%	30%	25%	25%	25%
	3			20%	20%	20%	20%	20%
	4				15%	15%	15%	15%
	5					10%	10%	10%
	6						10%	10%
	7							10%
Total		100%	100%	100%	100%	100%	100%	100%

[TARO_000224150.]

118. Although these general parameters are well-known, there is no precise method for apportioning “fair share” because market share is ultimately determined by

either winning or maintaining the business of various customers, which is inherently variable in a given year. The shared objective, however, is to attain a state of equilibrium, where no competitors are incentivized to compete for additional market share by eroding price.

119. This common goal was stated succinctly by Aprahamian, who advised the Taro Pricing Department in training documents from September and November 2013 that “[g]iving up share to new entrant (as warranted) shows responsibility and will save us in the long run” and “[d]on’t rock the boat – [g]reedy hogs go to slaughter.” As demonstrated throughout the Complaint, Aprahamian’s idea of “responsibility” meant constantly reaching out to competitors in order to coordinate giving up share to reach a “fair” allocation and keep prices high.

120. This scheme to minimize competition and allocate “fair share” is typically implemented as follows. First, Defendants allocate the market for an individual drug based on the number of competitors and the timing of their entry so that each competitor obtains an acceptable share of the market. Then, the competitors agree on ways to avoid competing on price and, at times, significantly raise price. This pattern is frequently followed even in the absence of direct communication between the competitors, demonstrating the universal code of conduct agreed to by Defendants.

121. This “fair share” understanding has been particularly effective when a new competitor enters the market – a time when, in a free-functioning, competitive market for generic drugs, prices would be expected to go down. In today’s generic drug markets, a new competitor will either approach or be approached by the existing competitors.

Existing competitors will agree to “walk away” from a specific customer or customers by either refusing to bid or submitting a cover bid. The new competitor’s transition into the market is seamless; the new entrant is ceded market share and immediately charges a supra-competitive price. The competitors then continue this process of dividing up customers until the market reaches a new artificial equilibrium. This is referred to as a “stable” market.

122. “Fair share” principles also dictate how generic drug manufacturers respond when a competitor experiences supply issues. If the disruption is temporary, the existing competitors will refrain from taking any action that might upset the market balance. By contrast, if the disruption is for a longer term, the competitors will divide up customers until each player achieves a revised “fair share” based on the number of players remaining in the market. For example, in July 2013, a retail pharmacy customer e-mailed Defendant Taro stating that one of Defendant Mylan’s products was on back order and asked Taro to bid for the business. Aprahamian sent an internal e-mail stating “Not inclined to take on new business . . . Wholesalers have product, let them pull from there temporarily and we can certainly review if shortage persists. Don’t want to overreact to this product. Not sure how long Mylan is out.”

123. These rules about “fair share” apply equally to price increases. As long as everyone is playing fair, and the competitors believe that they have their “fair share,” the larger understanding dictates that they will not seek to compete or take advantage of a competitor’s price increase by bidding a lower price to take that business. Doing so is viewed as “punishing” a competitor for raising prices – which is against the “rules.”

Indeed, rather than competing for customers in the face of a price increase, competitors often use this as an opportunity to follow with comparable price increases of their own.

124. For example, in May 2013 after a Glenmark price increase on a number of different drugs (discussed more fully below), Teva was approached by a large retail customer requesting a bid for several drugs. Green immediately sought to determine whether this request was due to a competitor price increase, in order to determine what Teva's strategy should be:

On May 29, 2013, at 11:52 PM, "Kevin Green" <Kevin.Green@tevapharm.com> wrote:

Do you think the Fluconazole Tabs below is due to a recent price increase. I don't have my list here at home. We are in a great inventory position, but not sure I want to steal it on an increase.

Teva declined to bid, after conversations with its competitors confirming that the reason for the request was due to a competitor's price increase.

125. When a generic manufacturer participates in this scheme, and prices stay high, this is viewed as "playing nice in the sandbox." For example – as discussed more fully below – in December 2014 Defendant Teva was approached by a large retail customer on behalf of Greenstone. The customer indicated that Greenstone was entering the market for Cabergoline and was seeking to target specific customers. The customer specifically requested that Teva give up a large customer to the new entrant, and indicated that "Greenstone has promised to play nice in the sandbox." After discussing the matter internally, a Teva representative responded to the customer: "[t]ell Greenstone we are playing nice in the sandbox and we will let them have [the targeted customer.]"

126. Similarly, when a generic manufacturer is “playing nice in the sandbox,” it is generally referred to as a “responsible” or “rational” competitor. For instance, in May 2013, R.T., a senior sales and marketing executive at Defendant Sandoz, sent an internal e-mail to J.G., another Sandoz senior executive, stating “My sense is that Sandoz is viewed by customers and competition as a respectful/responsible player in the market, which we should be proud of and has taken years to develop. I would be very careful to destroy this through behavior that is too aggressive or desperation.”

127. Defendant Sandoz, in turn, uses that same terminology to refer to its competitors that are acting in accordance with “fair share” principles. For example, in internal company presentations throughout 2014, Sandoz consistently referred to Defendant Actavis as a “responsible competitor” and Defendant Taro as a “very responsible price competitor.”

128. Defendant Teva had its own term of art – referring to the competitors it had the most collusive relationships with as “high quality” competitors. As explored more fully below, Teva had long-standing relationships with these competitors, including several of the corporate Defendants, which affected nearly every overlapping drug they sold. As just one example, Patel of Teva exchanged seven (7) text messages and had two (2) long phone calls with Aprahamian of Taro on June 3 and 4, 2014. After a lengthy twenty-five (25) minute call with Aprahamian on the morning of June 4, Patel sent an internal e-mail to K.G., a Teva senior marketing executive, stating “[w]e should probably discuss how we want to handle all Taro increase items. Taro is a high quality competitor – I think we need to be responsible where we have adequate market share.”

129. Adherence to the rules regarding “fair share” is critical in order to maintain high prices. Indeed, that is the primary purpose of the agreement. If even one competitor does not participate (and, thus behave in accordance with) the larger understanding, it can lead to unwanted competition and lower prices. In the relatively few instances where a competitor prioritizes gaining market share over the larger understanding of maintaining “fair share,” that competitor is viewed as “irresponsible,” and is spoken to by other competitors. For example, in March 2015, Defendant Upsher-Smith learned that Defendant Sandoz had submitted a bid on a product not identified in the Complaint at one of Upsher-Smith’s GPO customers. B.P., a senior account manager at Upsher-Smith, forwarded that information internally stating “I can’t believe they have chosen to compete against us since we had this business. How does this help us? We play fair and they don’t?”

130. “Fair share,” “playing nice in the sandbox,” and similar terminology have become part of the industry lexicon, and thus part of the larger understanding between Defendants. Generic drug manufacturers actively and routinely monitor their fair share and that of their competitors, as well as discuss customer allocation amongst each other within the context of agreements on specific drugs, as set forth more fully below. For example, in July 2013, L.J., a senior marketing executive at Sandoz, sent an internal e-mail identifying 47 products where Sandoz did not have “fair share” of the market. After some back-and-forth internal joking among Sandoz executives about the idea that Sandoz might actually attempt to compete for business in those markets by driving prices down, Kellum responded by emphasizing the truly industry-wide nature of the agreement:

From: Kellum, Armando
Sent: Tuesday, July 02, 2013 12:31 AM
To: [REDACTED]
Subject: Re: Product Sales and Market Share Performance_v17 (3).xls

Fair Share for all!!!

131. Indeed, the concept of “fair share” is so well ingrained in the generic pharmaceutical industry that even customers are aware of, and at times facilitate, collusion among generic manufacturers. For example, in June 2013, Defendant Dr. Reddy’s was entering the market on a product not identified in the Complaint where Defendant Par had previously been exclusive. K.N., a senior account executive at Dr. Reddy’s, sent an internal e-mail reporting that “[a GPO customer] has indicated that Par will walk away, so we have put together a proposal based on that information.”

132. Similarly, in September 2014, a large wholesale customer reached out to several large generic manufacturers, including Defendant Teva, asking them to submit a “Priority Wishlist of items to gain increased volume in the market.” The customer reported to Teva that “7 of the global suppliers have created and submitted wishlists and that [the customer] will be reviewing next week and taking a look at how they can move things around. He said they are hoping to be able to horse trade without having to do ROFR [right of first refusal].”

133. Further, in January 2015, Defendant Teva was in discussions with a large retail customer about the possibility of becoming its supplier for Moexipril HCL HCTZ Tablets. The customer stated “Yes, I would like a OTB [One Time Buy]. Can you

provide pricing? And yes, we should discuss an ongoing offer as well. I think you are way under your ‘fair share’ on this one if I remember correctly.”

134. Customers at times also facilitate price increases, asking competitors to “rationalize” a market by raising prices. For example, in November 2013, S.G., a senior account executive at Sandoz, sent an internal e-mail stating “[a large wholesale customer] is indicating that Glenmark and Caraco had taken a price increase on [a drug not identified in the Complaint] in June. [The customer] is asking if Sandoz will be rationalizing the market. . . . Please advise on next steps. Our [lower] pricing is disrupting the market.”

135. The “fair share” agreement is not limited to any one market; these principles constantly inform and guide the market actions that generic drug manufacturers decide to take (or not take) both within and across product markets. For example, in November 2013, Defendant Dr. Reddy’s won the “B” slot⁵ business at a large wholesale customer on a product not identified in the Complaint. Dr. Reddy’s had previously won the “A” slot business at that customer because Defendant Mylan had “walked away” from the business. J.A., a senior account executive at Dr. Reddy’s, sent an internal e-mail stating “My concern here is that [Mylan] will retaliate somewhere else. I’m unsure of the \$ volume, but this would pull somewhere around 4% share from Mylan, and I don’t think they would take that lying down.”

⁵ Some large customers contract with multiple suppliers – referring to them as primary (“A slot”) or secondary (“B slot”) suppliers – so that in the event of a supply disruption for a particular drug, there is a secondary source of supply.

136. Similarly, in October 2013, CW-1, a senior pricing executive at Sandoz, sent an internal e-mail, including to Kellum, stating that Sandoz had decided not to bid on two drugs not identified in the Complaint at a large retail customer. CW-1 explained his reasoning as follows: “We have been running up against Mylan a lot lately (Nadolol/Benaz/Hctz), and fear blowback if we take any more products at this moment. Trying to be responsible in the sandbox.” Similarly, in June 2014, Sandoz chose not to bid at a customer on a product not identified in the Complaint out of concern that Defendant Mylan would retaliate. As CW-1 explained, “I do not want to pursue, I believe this is due to a Mylan increase. We have a lot of products crossing with Mylan right now, I do not want to ruffle any feathers.” As discussed more fully below in Section IV.C.4.a, these decisions were made by Sandoz executives as a direct result of communications between the competitors, and in the context of an ongoing understanding between Defendants Sandoz and Mylan to fix prices and avoid competition on a number of different drugs, including Nadolol and Benazepril HCTZ.

137. A similar scenario occurred in August 2015, when Defendant Taro declined to bid on Etodolac Extended Release (ER) Tablets at a large supermarket chain where Defendant Zydus was the incumbent. Taro voiced concerns internally that Zydus might retaliate and take share from them on another product, Warfarin Sodium Tablets. As C.L., an analyst at Taro, reasoned in an internal e-mail, Zydus “could hit us on Warfarin. Not worth a fight in the sandbox over 300 annual units for Etodolac.” As discussed more fully below, both Etodolac ER and Warfarin were drugs where Taro had previously agreed with its competitors, including Teva and Zydus, to fix prices and allocate customers in

2014. Taro's focus on playing nice in the sandbox was merely an extension of those already-existing agreements.

138. As these examples make clear, the interdependence among generic manufacturers transcends product markets as these companies make decisions not only based on what impact their actions will have in a given product market, but also on how those actions will impact other product markets where the competitors overlap, and any future markets where they might eventually compete.

139. In fact, as explained in more detail below, certain Defendants had long-standing agreements with some of their competitors to limit competition on any products on which the companies overlapped. For instance, shortly after Patel was hired by Teva in 2013, she reached out to CW-1 and asked how Sandoz handled price increases. Patel explained that she had been hired by Teva to identify products where Teva could increase prices. CW-1 told Patel that Sandoz would follow any Teva price increases and that Sandoz would not poach Teva's customers after Teva increased price. CW-1 reiterated his conversation to Kellum, who understood and approved.

140. Indeed, generic manufacturers often communicated about, and colluded on, multiple drugs at any given time. As just one example, in July 2013, Defendant Teva increased pricing on a list of 21 different products. There was a great deal of internal pressure from management at Sandoz – including from Kellum and CW-1 – to obtain a copy of the Teva price increase list. As a result, CW-2 (then a Sandoz employee) reached out to his former colleague, Rekenthaler, the Vice President of Sales at Teva, to obtain a copy of the full Teva price increase list. Rekenthaler forwarded the list to his own

personal e-mail address before then forwarding it to CW-2's personal e-mail address.

Upon receiving the list, CW-2 read it to his supervisor – CW-1 – over the phone.

Notably, the Teva list included a number of products that Defendant Sandoz did not even sell.

141. It was not uncommon for generic manufacturers to communicate with each other about products that they did not sell. In another example, Defendants Teva, Wockhardt, and Mylan collusively raised pricing on Enalapril in July 2013 (discussed more fully below). After a lengthy conversation with Patel in the midst of the price increases, Aprahamian of Taro (not in the market for Enalapril at that time) sent an internal e-mail, including to M.P., a senior Taro executive, stating “[t]here has been some significant changes in the market landscape with this product and I’d like to get product back in Taro label (and fast).” And Taro did move fast. By December 2013, Aprahamian spoke again with Patel, M.A., an account manager at Defendant Mylan, and M.C., a senior sales and marketing executive at Defendant Wockhardt. Taro then re-entered the Enalapril market and matched competitor pricing.

142. In another example, on January 1, 2013 – the day before a substantial Mylan price increase on a number of items – Green of Teva spoke five (5) times with Nesta of Mylan. The next day, Green spoke with Kellum of Sandoz. Kellum then sent an internal e-mail to the Sandoz team stating “[j]ust heard from a customer that – Teva and Mylan . . . have raised price on Nadolol to our levels and Mylan took a significant price increase on Levothyroxine. Let’s please be cautious on both these products.” Despite that

fact that Teva did not sell Levothyroxine, Green still conveyed to Sandoz that Mylan raised price on that product.

143. Unlike their branded counterparts, generic drugs are commodities and generic manufacturers are constantly making decisions to enter new markets and leave existing markets. Often these decisions are made, at least in part, based on who the competitors are and how strong the relationship is between the two companies. As one example, in July 2013, Defendant Sandoz was looking to implement a “Taro Strategy” that involved temporarily delisting ten products that they overlapped on with Defendant Taro. This strategy would allow Taro to raise price on these products while Sandoz was out of the market, and then Sandoz could re-enter later at the higher price.

144. This interdependence between generic manufacturers is further demonstrated by the countless examples of companies sharing sensitive information with competitors as a matter of course. The States have gathered evidence going back more than a decade of generic companies routinely communicating and sharing information with each other about bids and pricing strategy. This includes forwarding bid packages received from a customer (e.g., a Request for Proposal or “RFP”) to a competitor, either on their own initiative, or at the request of a competitor.

145. Defendants and other generic drug manufacturers also share information among themselves regarding the terms of their contracts with customers, including pricing terms, price protection and rebates. Defendants use this information to negotiate prices or terms that are more favorable to them, often to the ultimate detriment of purchasers and payors. For instance, in December 2013, Defendant Teva was negotiating

new price increase language in its customer contracts, and wanted some comfort that its competitors had similar language. On December 23, 2013, Rekenthaler spoke with Nesta of Mylan three times, including a thirteen (13) minute call. Immediately after hanging up the phone with Nesta after the third call, Rekenthaler sent the following e-mail:

From: Dave Rekenthaler
 Sent: Mon 12/23/2013 10:41 AM (GMT-05:00)
 To: [REDACTED]; Maureen Cavanaugh
 Cc: Nisha Patel02
 Bcc:
 Subject: RE: Proposed Price Increase Language

Mylans language is vague. "Pricing subject to change at Mylan's sole discretion."

146. Defendants were well aware that what they were doing was illegal and took steps to cover up evidence of the overarching conspiracy. For example, in May 2014, a large customer of Taro's received a bid on a product not identified in the Complaint and gave Taro an opportunity to bid to retain the business. A.L., a senior contracting executive at Taro, sent an internal e-mail stating "FS ok, will not protect." E.G., a senior managed care executive at Taro, responded "explain FS, (Fair Share)?" Aprahamian replied:

No emails please. Phone call. [REDACTED] let's discuss.

Similarly, handwritten notes from an internal Sandoz business review presentation from May 2017 – after the States' investigation was well underway – read: "Avoid Fair Share terminology on slides – underdeveloped or overdeveloped is better."

147. To avoid creating a potentially incriminating paper trail, Kellum of Sandoz routinely admonished colleagues for putting information that was too blatant in e-mails, understanding that it could lead to significant legal exposure for both the company and the individuals involved.

148. It bears noting that the examples referenced in this section, and in the sections that follow, include only illustrative examples of the types of conduct described. Indeed, to date, many of the Defendants have made no document productions in connection with the States' investigation or MDL 2724, including Defendants Amneal, Apotex, Breckenridge, Glenmark, Lupin, and Zydus, and several other Defendants have made only limited productions focused on particular drugs or custodians, including Actavis, Mylan, Par, and Wockhardt. Even Teva, the central figure in this Complaint, has to date only produced documents from two custodians to the States.

6. Generic Drug Price Spikes Since 2013

149. Against this industry backdrop, the prices for a large number of generic pharmaceutical drugs skyrocketed throughout at least 2013 and 2014. According to one report, “[t]he prices of more than 1,200 generic medications increased an average of 448 percent between July 2013 and July 2014.” A separate analysis conducted by Defendant Sandoz showed that during the calendar years 2013 and 2014, there were 1,487 “large price increases” (increases of the WAC price greater than 100%), of which 12% (178) were increased by greater than 1,000%.

150. These increases in 2013 and 2014 were staggering compared to prior years. The following table (which contains information about WAC pricing changes through

October 2014 only) demonstrates the dramatic surge in the number of large drug price increases per year in 2013 and 2014:

	Year	Total Number of Increases	Increases Greater than 100%	Increases Greater than 50%
	2010	3820	125	260
	2011	4265	255	409
	2012	4071	223	433
	2013	5694	739	1072
YTD Oct.	2014	4461	637	1521

151. A January 2014 survey of 1,000 members of the National Community Pharmacists Association (“NCPA”) found that more than 75% of the pharmacists surveyed reported higher prices on more than 25 generic drugs, with the prices spiking by 600% to 2,000% in some cases.

152. More than \$500 million of Medicaid drug reimbursement during the twelve months ending on June 30, 2014 was for generic drugs whose prices had increased by over 100%.

C. The Illegal Schemes

153. As alleged above, while drug-specific agreements involve those Defendants that marketed and sold the particular drug, each Defendant, including the Defendants who did not manufacture the particular drug involved in each drug-specific agreement, was also a party to the broader, overarching conspiracy to abide by the “fair share” agreement covering all of the drugs that are the subject of this Complaint. From this broad agreement among all Defendants sprang additional agreements among the manufacturers relating to each of the individual drugs. The purpose and effect of all of these agreements was to lessen competition in the markets for each drug and throughout the industry.

154. For ease of reference, the individual product conspiracies alleged in this Complaint involve the following drugs and conspiring manufacturers:

Drugs	Manufacturers
Adapalene Gel	Glenmark, Taro, Teva
Amiloride HCL/HCTZ Tablets	Mylan, Teva
Amoxicillin/Clavulanate Chewable Tablets	Sandoz, Teva
Amphetamine/Dextroamphetamine ER (aka Mixed Amphetamine Salts)	Actavis, Teva
Amphetamine/Dextroamphetamine IR	Actavis, Aurobindo, Teva
Azithromycin Oral Suspension	Greenstone, Teva
Azithromycin Suspension	Greenstone, Teva
Bethanechol Chloride Tablets	Amneal, Teva
Budesonide DR Capsules	Mylan, Par, Teva
Budesonide Inhalation	Actavis, Teva
Bumetanide Tablets	Sandoz, Teva
Buspirone Hydrochloride Tablets	Actavis, Mylan, Teva
Cabergoline	Greenstone, Teva
Capecitabine	Mylan, Teva
Carbamazepine Chewable Tablets	Taro, Teva
Carbamazepine Tablets	Apotex, Taro, Teva
Cefdinir Capsules	Lupin, Sandoz, Teva
Cefdinir Oral Suspension	Lupin, Sandoz, Teva
Cefprozil Tablets	Lupin, Sandoz, Teva
Celecoxib	Actavis, Teva
Cephalexin Suspension	Lupin, Teva
Cimetidine Tablets	Mylan, Teva
Ciprofloxacin HCL Tablets	Actavis, Dr. Reddy's, Teva
Clarithromycin ER Tablets	Actavis, Teva, Zydus
Clemastine Fumarate Tablets	Sandoz, Teva
Clonidine TTS Patch	Actavis, Mylan, Teva
Clotrimazole Topical Solution	Taro, Teva
Cyproheptadine HCL Tablets	Breckenridge, Teva
Desmopressin Acetate Tablets	Actavis, Teva
Desogestrel/Ethinyl Estradiol Tablets (Kariva)	Glenmark, Teva
Dexmethylphenidate HCL ER Capsules	Sandoz, Teva
Dextroamphetamine Sulfate ER	Actavis, Teva
Diclofenac Potassium Tablets	Mylan, Sandoz, Teva
Dicloxacillin Sodium Capsules	Sandoz, Teva
Diflunisal Tablets	Teva, Rising

Diltiazem HCL Tablets	Mylan, Teva
Disopyramide Phosphate Capsules	Actavis, Teva
Doxazosin Mesylate Tablets	Apotex, Mylan, Teva
Drospirenone and ethinyl estradiol (Ocella)	Actavis, Lupin, Teva
Enalapril Maleate Tablets	Mylan, Taro, Teva, Wockhardt
Entecavir	Par, Teva
Epitol Tablets	Apotex, Taro, Teva
Estazolam Tablets	Actavis, Teva
Estradiol Tablets	Actavis, Mylan, Teva
Ethinyl estradiol and levonorgestrel (Portia and Jolessa)	Sandoz, Teva
Ethosuximide Capsules	Teva, Versapharm
Ethosuximide Oral Solution	Teva, Versapharm
Etodolac ER Tablets	Taro, Teva, Zydus
Etodolac Tablets	Sandoz, Taro, Teva
Fenofibrate	Lupin, Mylan, Teva, Zydus
Fluconazole Tablets	Glenmark, Greenstone, Teva
Fluoxetine HCL Tablets	Mylan, Par, Teva
Flurbiprofen Tablets	Mylan, Teva
Flutamide Capsules	Actavis, Par, Teva
Fluvastatin Sodium Capsules	Mylan, Teva
Gabapentin Tablets	Glenmark, Teva
Glimepiride Tablets	Dr. Reddy's, Teva
Griseofulvin Suspension	Actavis, Teva
Haloperidol	Mylan, Sandoz
Hydroxyurea Capsules	Par, Teva
Hydroxyzine Pamoate Capsules	Actavis, Rising, Sandoz, Teva
Irbesartan	Lupin, Teva
Isoniazid	Sandoz, Teva
Ketoconazole Cream	Sandoz, Taro, Teva
Ketoconazole Tablets	Mylan, Taro, Teva
Ketoprofen Capsules	Mylan, Teva
Ketorolac Tromethamine Tablets	Mylan, Teva
Labetalol HCL Tablets	Par, Sandoz, Teva
Lamivudine/Zidovudine (generic Combivir)	Aurobindo, Camber, Lupin, Teva
Loperamide HCL Capsules	Mylan, Teva
Medroxyprogesterone Tablets	Greenstone, Teva
Methotrexate Tablets	Mylan, Teva
Mimvey (Estradiol/Norethindrone Acetate) Tablets	Breckenridge, Teva
Moexipril HCL Tablets	Glenmark, Teva

Moexipril HCL/HCTZ Tablets	Glenmark, Teva
Nabumetone Tablets	Actavis, Glenmark, Sandoz, Teva
Nadolol Tablets	Mylan, Sandoz, Teva
Niacin ER Tablets	Lupin, Teva, Zydus
Nitrofurantoin MAC Capsules	Mylan, Teva
Norethindrone Acetate	Amneal, Glenmark, Teva
Norethindrone/ethinyl estradiol (Balziva)	Lupin, Teva
Nortriptyline Hydrochloride Capsules	Actavis, Taro, Teva
Omega-3-Acid Ethyl Esters	Par, Teva
Oxaprozin Tablets	Dr. Reddy's, Greenstone, Teva
Oxybutynin Chloride Tablets	Teva, Upsher-Smith
Paricalcitol	Dr. Reddy's, Teva, Zydus
Penicillin VK Tablets	Aurobindo, Greenstone, Sandoz, Teva
Pentoxifylline Tablets	Apotex, Mylan, Teva
Piroxicam	Greenstone, Teva
Prazosin HCL Capsules	Mylan, Teva
Prochlorperazine Tablets	Mylan, Sandoz, Teva
Raloxifene HCL Tablets	Teva, Camber
Ranitidine HCL Tablets	Amneal, Glenmark, Sandoz, Teva
Tamoxifen Citrate Tablets	Actavis, Mylan, Teva
Temozolomide	Sandoz, Teva
Tizanidine	Dr. Reddy's, Mylan, Sandoz
Tobramycin	Sandoz, Teva
Tolmetin Sodium Capsules	Mylan, Teva
Tolterodine ER	Mylan, Teva
Tolterodine Tartrate	Greenstone, Teva
Topiramate Sprinkle Capsules	Actavis, Teva, Zydus
Trifluoperazine HCL	Mylan, Sandoz
Valsartan HCTZ	Mylan, Sandoz
Warfarin Sodium Tablets	Taro, Teva, Zydus

1. The Overarching Conspiracy In Operation: Customer And Market Allocation Agreements To Maintain Market Share And Avoid Price Erosion

155. When entering a generic drug market, Teva and the other Defendants routinely and systematically sought out their competitors in an effort to reach agreement to allocate market share, maintain high prices and/or avoid competing on price. These

agreements had the effect of artificially maintaining high prices for a large number of generic drugs and creating an appearance of competition where in fact little to none existed. Some illustrative examples of these agreements are set forth below, organized by company relationship and describing specific examples relating to specific drugs over time.

a. Teva/Mylan

i. Fenofibrate

156. Fenofibrate—also known by brand names such as Tricor—is a medication used to treat cholesterol conditions by lowering “bad” cholesterol and fats (such as LDL and triglycerides) and raising “good” cholesterol (HDL) in the blood.

157. As of the end of 2012, Teva and Lupin were the only major suppliers of generic Fenofibrate 48mg and 145mg tablets, with Teva having approximately 65% market share and Lupin having approximately 35% market share.

158. On February 27, 2013, K.G., a senior marketing executive at Teva, e-mailed multiple Teva colleagues asking them to provide “any noise you may be hearing in the market relative to additional competition on Fenofibrate 48mg and 145mg.” Specifically, K.G. was seeking “Competitive Intelligence” on Mylan’s potential entry to the market. In order to get this information, Green called Mylan’s Vice President of National Accounts, Jim Nesta. Over the course of that day, Green and Nesta spoke at least four (4) different times. That same day, Green reported back to K.G. and other Teva colleagues what he had learned: Mylan planned to launch Fenofibrate 48mg and 145mg sometime around November 2013.

159. A few months later, however, Teva learned that Mylan was moving up its launch date for Fenofibrate. In advance of this launch, Teva, Lupin, and Mylan conspired to allocate the market for Fenofibrate. On May 8, 2013, Green e-mailed his colleagues at Teva that “Mylan is entering [the market for Fenofibrate] very soon.” To assist in Teva’s efforts to allocate the Fenofibrate market, Green asked a colleague for the “ typical data on Fenofibrate”. This request for information was reiterated- and its purpose made clear- the following day when K G. sent an internal e-mail stating that Mylan expected to launch Fenofibrate 48mg and 145mg tablets “on or around May 14” and that he needed Teva’s Fenofibrate sales and profitability information “to determine who we want to keep and who we want to concede” to Mylan.

160. Up to this point, executives for Teva, Mylan, and Lupin had all been in regular contact by phone. These calls include at least those listed below. On these calls, Teva, Mylan, and Lupin executives shared information about Mylan’s Fenofibrate launch and the plan to allocate market share to Mylan.

a a D ona

Date	Call Type	Target Name	Direction	Contact Name	Duration
5/6/2013	Voice	Patel, Nisha (Teva)	Outgoing	Berthold, David (Lupin)	0:00:32
5/6/2013	Voice	Patel, Nisha (Teva)	Incoming	Berthold, David (Lupin)	0:22:02
5/6/2013	Voice	Green, Kevin (Teva)	Outgoing	Berthold, David (Lupin)	0:01:00
5/7/2013	Voice	Patel, Nisha (Teva)	Incoming	Berthold, David (Lupin)	0:10:31
5/7/2013	Voice	Nesta, Jim (Mylan)	Outgoing	Green, Kevin (Teva)	0:00:06
5/7/2013	Voice	Nesta, Jim (Mylan)	Incoming	Green, Kevin (Teva)	0:00:18
5/7/2013	Voice	Nesta, Jim (Mylan)	Outgoing	Green, Kevin (Teva)	0:11:12
5/7/2013	Voice	Nesta, Jim (Mylan)	Outgoing	Berthold, David (Lupin)	0:02:53
5/8/2013	Voice	Nesta, Jim (Mylan)	Incoming	Berthold, David (Lupin)	0:00:05
5/8/2013	Voice	Nesta, Jim (Mylan)	Outgoing	Berthold, David (Lupin)	0:08:55
5/8/2013	Voice	Nesta, Jim (Mylan)	Outgoing	Green, Kevin (Teva)	0:00:20
5/8/2013	Voice	Nesta, Jim (Mylan)	Incoming	Green, Kevin (Teva)	0:00:05
5/8/2013	Voice	Nesta, Jim (Mylan)	Outgoing	Green, Kevin (Teva)	0:00:05
5/8/2013	Voice	Nesta, Jim (Mylan)	Incoming	Green, Kevin (Teva)	0:03:46
5/9/2013	Voice	Green, Kevin (Teva)	Outgoing	Berthold, David (Lupin)	0:01:00
5/9/2013	Voice	Green, Kevin (Teva)	Incoming	Berthold, David (Lupin)	0:12:00
5/9/2013	Voice	Nesta, Jim (Mylan)	Incoming	Green, Kevin (Teva)	0:04:05

161. In one striking example of the coordination between the three companies, Nesta called Green at 2:42pm on May 7 and they spoke for more than eleven (11) minutes. Immediately after hanging up the phone – at 2:54pm – Nesta called Berthold and spoke for nearly three (3) minutes.

162. On May 10, 2013, K.G. received the Teva sales and profitability information he requested. After having the information for barely a half hour, and before there was even a formal price challenge by Mylan at any of Teva’s customers, K.G. concluded that “it is best to concede Econdisc [to Mylan] and try to maintain the balance of our customers” By conceding Econdisc to Mylan, Teva would walk away from its single biggest customer (in terms of gross profit) for the 48mg tablets and the third largest out of six customers (in terms of gross profit) for the 145mg tablets. Patel, who had been at Teva for only two weeks at that point, said she “want[ed] to understand the

logic you [K.G.] use for determining this.” The logic, of course, was to allocate a customer of sufficient size to Mylan so that Mylan would be comfortable with its “fair share” and not need to compete on price to acquire market share.

163. Teva executives immediately reached out to executives at Mylan and Lupin through a series of phone calls. These calls include at least those listed below. On these calls, executives of Teva, Mylan, and Lupin confirmed the market allocation scheme.

Date	Call Type	Target Name	Direction	Contact Name	Duration
5/10/2013	Voice	Nesta, Jim (Mylan)	Outgoing	Green, Kevin (Teva)	0:00:28
5/10/2013	Voice	Nesta, Jim (Mylan)	Incoming	Green, Kevin (Teva)	0:10:46
5/10/2013	Voice	Nesta, Jim (Mylan)	Incoming	Green, Kevin (Teva)	0:02:19
5/10/2013	Voice	Nesta, Jim (Mylan)	Outgoing	Patel, Nisha (Teva)	0:05:25
5/10/2013	Voice	Patel, Nisha (Teva)	Outgoing	Berthold, David (Lupin)	0:00:17
5/10/2013	Voice	Patel, Nisha (Teva)	Incoming	Berthold, David (Lupin)	0:07:26
5/10/2013	Voice	Patel, Nisha (Teva)	Incoming	Berthold, David (Lupin)	0:17:28

164. Teva made good on its agreement to concede Econdisc to Mylan. On May 15, 2013, Econdisc informed Teva that a new market entrant had submitted a competitive offer for Fenofibrate 48mg and 145mg tablets and asked Teva for a counteroffer to retain Econdisc’s business. Less than an hour after receiving the notice of the price challenge, Green recommended conceding Econdisc based on “prior conversations.” K.G. later agreed: “this is the customer we should concede on Fenofibrate.”

165. Following Teva’s internal confirmation of the market allocation scheme, Teva executives spoke with executives at Mylan and Lupin numerous times. These calls include at least those listed below. On these calls, executives of Teva, Mylan, and Lupin

confirmed that Teva was sticking to the market allocation scheme by conceding Econdisc to Mylan.

Date	Call Type	Target Name	Direction	Contact Name	Duration
5/16/2013	Voice	Patel, Nisha (Teva)	Outgoing	Berthold, David (Lupin)	0:00:36
5/16/2013	Voice	Patel, Nisha (Teva)	Incoming	Berthold, David (Lupin)	0:02:07
5/16/2013	Voice	Patel, Nisha (Teva)	Incoming	Berthold, David (Lupin)	0:00:07
5/16/2013	Voice	Patel, Nisha (Teva)	Incoming	Berthold, David (Lupin)	0:03:12
5/16/2013	Voice	Patel, Nisha (Teva)	Incoming	Berthold, David (Lupin)	0:00:04
5/16/2013	Voice	Patel, Nisha (Teva)	Outgoing	Berthold, David (Lupin)	0:05:29
5/16/2013	Voice	Patel, Nisha (Teva)	Outgoing	Berthold, David (Lupin)	0:00:34
5/17/2013	Voice	Berthold, David (Lupin)	Outgoing	Nesta, Jim (Mylan)	0:02:21
5/17/2013	Voice	Berthold, David (Lupin)	Incoming	Green, Kevin (Teva)	0:10:06
5/17/2013	Voice	Nesta, Jim (Mylan)	Outgoing	Green, Kevin (Teva)	0:00:04
5/17/2013	Voice	Nesta, Jim (Mylan)	Incoming	Green, Kevin (Teva)	0:11:50
5/17/2013	Voice	Nesta, Jim (Mylan)	Outgoing	Green, Kevin (Teva)	0:02:23
5/17/2013	Voice	Patel, Nisha (Teva)	Outgoing	Berthold, David (Lupin)	0:00:09
5/17/2013	Voice	Patel, Nisha (Teva)	Incoming	Berthold, David (Lupin)	0:00:21
5/17/2013	Voice	Patel, Nisha (Teva)	Outgoing	Berthold, David (Lupin)	0:11:12
5/17/2013	Voice	Nesta, Jim (Mylan)	Incoming	Green, Kevin (Teva)	0:04:25
5/17/2013	Voice	Nesta, Jim (Mylan)	Outgoing	Green, Kevin (Teva)	0:00:05
5/17/2013	Text	Nesta, Jim (Mylan)	Outgoing	Green, Kevin (Teva)	0:00:00
5/17/2013	Voice	Nesta, Jim (Mylan)	Incoming	Green, Kevin (Teva)	0:16:02

ii. Clonidine-TTS Patch

166. Clonidine-TTS Patch—also known by the brand name Catapres-TTS—is a medication in the form of a transdermal patch that is used to treat high blood pressure.

167. As of September 2011, Mylan and Teva were at rough parity in the market for generic Clonidine-TTS, with Mylan having approximately 48.4% market share and Teva having approximately 44.4% market share. At the end of 2011 and beginning of 2012, however, Teva began to take more than its “fair share.”

168. In November 2011, Teva took over Mylan’s business for Clonidine-TTS at Walgreens after Walgreens solicited Teva to provide a bid. Then, in late January 2012,

Cardinal Health solicited a bid from Teva for a one-time-buy to cover an alleged short-term “supply disruption” that Mylan was experiencing. A few days after Teva submitted its offer to Cardinal for the one-time-buy, Cardinal asked Teva to become Cardinal’s primary supplier for Clonidine- TTS. Believing that Cardinal’s request was prompted by Mylan having supply issues, Teva accepted and took over the primary position at Cardinal for Clonidine-TTS.

169. On February 10, 2012, the move of Cardinal’s business to Teva prompted K.G. of Teva to order his colleagues to get intelligence on the extent of Mylan’s alleged supply issues. That same day, Rekenthaler called B.P., a senior national accounts executive at Mylan, to obtain the information and they spoke for six (6) minutes. Later that day, Rekenthaler reported back to his Teva colleagues that, contrary to Teva’s assumptions, “Mylan is back in supply” and cautioned that Teva should “tread carefully.” Rekenthaler was concerned that Mylan might retaliate against Teva for taking more than its “fair share” without consulting with Mylan. With the awards from Walgreens and Cardinal, Teva was projected to have between 65%-70% market share for Clonidine-TTS.

170. To gain back some market share, Mylan challenged Teva’s Clonidine-TTS business at McKesson. To de-escalate the situation, Teva “conceded the McKesson business to Mylan.” Then, in April 2012, Mylan aggressively challenged Teva’s Clonidine-TTS business at CVS to gain back market share and further signal its displeasure with Teva for taking the Cardinal business. Internally, Teva lamented that

Mylan was “trashing the price in pretty much a two-player market.” Ultimately, Teva “conceded [the CVS business] due to price.”

171. Teva heard Mylan’s retaliatory message loud and clear. On May 4, 2012, just a few days after losing the CVS Clonidine-TTS business to Mylan, Teva was approached by Cardinal about a different drug, Doxazosin. At the time, Mylan was the primary supplier for Doxazosin at Cardinal. Cardinal representatives told Teva that Mylan was on backorder for one of the four Doxazosin dosage strengths until the end of June 2012, but Cardinal wanted to move the entire Doxazosin line to Teva. Rather than take this business, K.G. cautioned his colleagues that Teva “will need to be cautious after what happened with Clonidine. I would rather cover them on a short-term basis where they have an issue and revisit if it becomes a more prolonged and extensive event.”

172. On July 18, 2012, E.G., a senior Teva product manager, circulated an internal e-mail to Teva’s national account managers that the “[m]arket rumor is Mylan may be having Clonidine Patch supply issues.” Teva learned of this “rumor” directly from Mylan over the course of at least two calls between Green and Nesta on July 17 and the morning of July 18, 2012. Those calls lasted three (3) minutes and five (5) minutes, respectively.

173. On the morning of September 28, 2012, Nesta and Green spoke by phone at least twice, once for four (4) minutes and once for fourteen (14) minutes. On those calls, Nesta informed Green of Mylan’s impending temporary exit from the Clonidine-TTS market. As expected, later in the day on September 28, 2012, Teva began getting

solicitations from Mylan customers, such as Wal-Mart and CVS, seeking a bid from Teva for Clonidine-TTS because Mylan had just issued a temporary discontinuation notice.

174. Mylan's exit from the Clonidine-TTS market presented an opportunity to raise prices and collusively reallocate the market at the inflated prices when Mylan fully reentered the market. For example, in April 2012, before Mylan had challenged Teva's Clonidine-TTS business at CVS, Teva's direct invoice price to CVS for the .1mg, .2mg, and .3mg Clonidine- TTS was \$22.13, \$37.81, and \$54.41, respectively. Mylan's retaliation against Teva drove the prices for CVS down to below \$10.49, \$18.17, and \$26.51 for those dosages, respectively. Because of Mylan's exit from the market, however, when Teva took back the CVS business in October 2012, Teva was able to charge CVS a direct invoice price of \$33.28, \$56.08, and \$80.76, respectively.

175. Mylan and Teva maintained regular contact as former Mylan customers came to Teva because of Mylan's supply issues with Clonidine-TTS. For example, Teva submitted bids to CVS and Wal-Mart—which were ultimately accepted by those companies—on October 4, 2012 and October 5, 2012, respectively. In the days leading up to those bids, Teva and Mylan representatives had at least the following phone calls:

Date	Call Type	Target Name	Direction	Contact Name	Duration
10/1/2012	Voice	Rekenthaler, David (Teva)	Outgoing	B.P. (Mylan)	0:01:00
10/1/2012	Voice	Nesta, Jim (Mylan)	Incoming	Green, Kevin (Teva)	0:00:10
10/1/2012	Voice	Nesta, Jim (Mylan)	Outgoing	Green, Kevin (Teva)	0:00:04
10/1/2012	Voice	Nesta, Jim (Mylan)	Incoming	Green, Kevin (Teva)	0:00:06
10/1/2012	Voice	Nesta, Jim (Mylan)	Outgoing	Green, Kevin (Teva)	0:05:00
10/4/2012	Voice	Green, Kevin (Teva)	Incoming	Nesta, Jim (Mylan)	0:11:00

176. Teva and Mylan representatives continued to keep in contact going forward so that if Mylan reentered the Clonidine-TTS market, Mylan could regain market share without eroding price through competitive bidding. For example, on October 10, 2012, Green and Nesta spoke for ten (10) minutes. That same day, E.G. of Teva sent an e-mail to Teva national account managers and other senior representatives reiterating that Teva representatives should “advise of any update to this market intelligence.”

177. In or about February 2013, Mylan relaunched Clonidine-TTS and began seeking market share. In early March 2013 Mylan sought to secure the Clonidine-TTS business at Econdisc. Rather than competitively bid for the business, Teva’s internal documents state that they chose to “concede” Econdisc back to Mylan. By April 2013 Teva also “gave up Rite Aid” and “concede[d]” McKesson to Mylan.

178. In a stark admission of Teva’s willingness to help Mylan regain market share without competition, Rekenthaler acknowledged in an internal e-mail dated February 28, 2013 that Teva was “trying to concede the Clonidine business at CVS” to Mylan. Because Teva had been able to increase the price at CVS following Mylan’s exit, Mylan gave a bid to CVS that was higher than Mylan’s “previous price prior to their supply problems.” For its part, Teva was “not going to make any effort in the form of price concessions to retain the CVS business” if CVS brought Mylan’s price challenge to Teva’s attention. CVS pushed Mylan to lower its bid in light of its prior prices but, confident that its brinkmanship would work because of Teva’s cooperation, Mylan would not do so. Ultimately, CVS declined Mylan’s bid because of Mylan’s refusal to lower its bid in light of its prior pricing. Nonetheless, because Mylan’s bid to CVS was not

competitive—but rather an effort to allocate the market without eroding price—Teva was able to maintain artificially higher prices at CVS.

179. To carry out their scheme to allocate the Clonidine-TTS market without eroding price, representatives of Teva and Mylan remained in regular contact. In February and March 2013 alone, Teva and Mylan representatives called each other at least 33 different times and spoke for nearly 2 hours and 45 minutes.

180. By April 2013, Teva had “conceded all customers [it] plan[ned] on conceding.” Having successfully allocated the market, however, Mylan and Teva were now conspiring to raise prices on Clonidine-TTS. On April 8, 2013, J.L., a marketing manager at Teva, reported internally to his Teva colleagues, including Rekenthaler, that Mylan had agreed to raise prices:

From: [REDACTED]
Sent: Tuesday, April 09, 2013 2:24 PM
To: [REDACTED]; Dave Rekenthaler
Cc: [REDACTED]
Subject: Clonidine - Mylan Challenges
Importance: High

Kevin / Dave,

Do we have a target share percentage we want to maintain/concede now that Mylan is back in supply?

We just gave up Rite Aid which was worth ~5% of our business and we also have a challenge from Omnicare which is also worth ~5%. We received the Omnicare challenge yesterday.

Based on a discussion with Kevin Green, Mylan would follow a price increase.

[TUS000381907.] Green knew that Mylan would follow a price increase on Clonidine-TTS because earlier that day, Green had two phone calls with Nesta (Mylan), with one lasting one (1) minute and the other lasting eight (8) minutes. In a follow up call the following day between Green and Nesta lasting eleven (11) minutes, Mylan and Teva reconfirmed their agreement that Mylan would follow a Teva price increase on Clonidine-TTS.

iii. Tolterodine Extended Release

181. Tolterodine Extended Release (“Tolterodine ER”)—also known by the brand name Detrol LA—is a medication used for the treatment of an overactive bladder.

182. Teva planned to launch the first generic version on January 2, 2014. During the first half of December 2013, Teva was under the impression—based on conversations with potential customers—that Mylan was not in a position to launch until 30 to 60 days after Teva launched. Nonetheless, Teva was considering how to allocate the market with Mylan when it did eventually launch. On December 3, 2013, J.K., a marketing executive at Teva, sent an e-mail to Rekenthaler, K.G., and several other Teva colleagues stating “we prepared for 50-60 share... I am looking into the numbers as far as what this means.” To prepare offers and figure out the allocation of customers that would bring Teva its desired 50% to 60% market share, Teva executives were instructed to gather usage from potential customers.

183. Through the first half of December 2013, as Teva was soliciting usage amounts from potential customers, customers were asking Teva to send in pricing offers before the launch. Teva resisted sending out those offers and instead did not plan to do so

until the January 2, 2014 launch date. Teva's delay in putting together pricing for potential customers was part of a plan to drive up the amount it could charge for Tolterodine ER. Specifically, Teva expected that on January 1, 2014, the price of branded Detrol LA was going to increase. This would allow Teva to peg its price to the now inflated price of the branded drug and thereby command a higher price for Tolterodine ER on the January 2, 2014 generic launch date.

184. At the end of the day on Friday December 20, 2013, T.C. of Teva learned from D.H. at Cardinal that Mylan intended to launch its Tolterodine ER on January 2, 2014. D.H. further provided T.C. with Mylan's pricing for two dosages, and conveyed that Mylan is "looking for a 40% market share," and that Teva "can figure the rest out."

185. Figure it out they did. T.C. informed her Teva colleagues of Mylan's plans. K.G. of Teva then worked over the weekend to turn this information into initial pricing for all of Teva's potential customers and then shared it internally. In a telling admission that Teva had no intention to bid competitively for all accounts, K.G. noted that the next step was "to pick who should receive" bids. The goal in "pick[ing] who should receive" bids was to ensure that both Mylan and Teva received their previously stated market share goals: Teva wanted "50-60 [%] share" while Mylan was only "looking for a 40% market share."

186. On Monday, December 23, 2013, Rekenthaler, Patel, K.G., T.C., and several others at Teva had a telephone conference scheduled from 8:00am to 9:00am to discuss the Tolterodine ER launch strategy. Just minutes before the meeting was to start, Rekenthaler tried calling Nesta at Mylan. Nesta returned Rekenthaler's call at 8:15am,

which was during Teva's scheduled Tolterodine ER phone conference. Rekenthaler nonetheless answered Nesta's call on his cell phone and the pair spoke for 1 minute, 26 seconds. Immediately after Teva's scheduled Tolterodine ER phone conference, Rekenthaler tried calling Nesta two more times. At 10:22am, Nesta returned Rekenthaler's calls and the pair spoke for an additional 12 minutes, 2 seconds. During these calls, Rekenthaler and Nesta exchanged the details about their offers to various customers, including the specific contractual language used in their offers.

187. +For example, at 10:33am—while Rekenthaler was still on the phone with Nesta, K.G. sent an e-mail to Rekenthaler and others asking about the appropriate contractual language to use in offers about the potential for price increases. Minutes after Rekenthaler finished his call with Nesta, he replied with the exact language, in quotes, that Mylan was using:

From: Dave Rekenthaler
 Sent: Mon 12/23/2013 10:41 AM (GMT-05:00)
 To: [REDACTED], Maureen Cavanaugh
 Cc: Nisha Patel02
 Bcc:
 Subject: RE: Proposed Price Increase Language

Mylans language is vague. "Pricing subject to change at Mylan's sole discretion."

Most importantly though, during these calls between Nesta and Rekenthaler, Teva and Mylan reached an agreement to allocate the Tolterodine ER market on launch day so that Teva and Mylan could reach their target share without eroding pricing.

188. At 12:12pm on December 23, 2013, K.G. circulated a revised version of Teva's pricing plan for the Tolterodine ER launch. This new version incorporated Teva and Mylan's plan to allocate the market, including the submission of cover bids and

abstention from bidding. Notably, the revised pricing plan included the following chart identifying the major customers (and their associated market share percentage) that Teva would receive to get close to its desired 60% market share while Mylan would get its desired 40% share:

CVS	18
Wal-Mart	5
Cardinal	8
Omnicare	1
Anda	2
Rite Aid	4
Econdisc	15
McKesson	6
	59

[TUS000654798.]

189. In exchange for Mylan either submitting cover bids or abstaining from bidding on these customers, Teva reciprocated by submitting cover bids and/or refusing to submit bids to customers that Mylan targeted. This is demonstrated by the fact that Teva's newly revised pricing plan now included considerably higher direct invoice prices for major customers located to Mylan; namely Optum Rx (UHS Pharmacy Assignor), as well as Walgreens, Cigna, Humana, Prime Therapeutics, and Kaiser. The table below includes a comparison of Teva's pricing plan for these Mylan customers before and after Rekenthaler spoke with Nesta on December 23, 2013:

Dosages	Initial Pricing Plan	Price after Dave Rekenthaler Speaks with Jim Nesta																																							
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TOLTERODINE TARTRATE ER CAPSULES 2MG 30	114.30	88.05	114.30	108.00
TOLTERODINE TARTRATE ER CAPSULES 2MG 90	342.90	264.15	342.90	324.00
TOLTERODINE TARTRATE ER CAPSULES 2MG 500	1,866.90	1,467.50	1,866.90	1,800.00
TOLTERODINE TARTRATE ER CAPSULES 4MG 30	114.30	88.05	114.30	108.00
TOLTERODINE TARTRATE ER CAPSULES 4MG 90	342.90	264.15	342.90	324.00
TOLTERODINE TARTRATE ER CAPSULES 4MG 500	1,866.90	1,467.50	1,866.90	1,800.00

Product Description	KAISER			KAISER		
	Indirect Contract	Rebate To	Direct Invoice	Indirect Contract	Rebate To	Direct Invoice
TOLTERODINE TARTRATE ER CAPSULES 2MG 30	114.30	98.28	91.85	114.30	102.72	96.00
TOLTERODINE TARTRATE ER CAPSULES 2MG 90	342.90	294.84	275.55	342.90	308.16	288.00
TOLTERODINE TARTRATE ER CAPSULES 2MG 500	1,866.90	1,637.99	1,530.83	1,866.90	1,712.00	1,600.00
TOLTERODINE TARTRATE ER CAPSULES 4MG 30	114.30	98.28	91.85	114.30	102.72	96.00
TOLTERODINE TARTRATE ER CAPSULES 4MG 90	342.90	294.84	275.55	342.90	308.16	288.00
TOLTERODINE TARTRATE ER CAPSULES 4MG 500	1,866.90	1,637.99	1,530.83	1,866.90	1,712.00	1,600.00

190. In addition to submitting inflated bids for Optum Rx (UHS Pharmacy Assignor), as well as Walgreens, Cigna, Humana, Prime Therapeutics, and Kaiser, Teva agreed to refrain from bidding for certain customers, such as Publix, Ahold, Hannaford, and PVA Health.

191. The following day, on December 24, 2013, Rekenhtaler and Nesta had two more calls to confirm and refine Teva and Mylan's market allocation agreement. Those calls lasted for nine (9) minutes and eight (8) minutes, respectively.

iv. Capecitabine

192. Capecitabine, also known by the brand name Xeloda, is an anti-cancer chemotherapy drug used to treat a variety of cancers, including breast and colon cancer.

193. To resolve patent litigation, the brand manufacturer, Roche Pharmaceuticals, entered into settlement agreements with various generic manufacturers—including Teva and Mylan—that would allow those generic manufacturers to sell generic Capecitabine after a certain period of time.

194. As early as January 2014, both Teva and Mylan were making plans for their eventual launch of Capecitabine. Part of this planning included the sharing of information so that they could allocate the market between them. For example, in a January 31, 2014 e-mail, J.P., a national accounts executive at Teva, informed K.G., Rekenthaler, and others at Teva that Mylan was courting a specific customer, Armada Health Care, and that “Mylan estimated Armada’s share on [Capecitabine] at 37%.” Teva incorporated this data it received from Mylan into its own launch plan for Capecitabine.

195. On February 26, 2014, Nesta of Mylan called Rekenthaler of Teva and the two spoke for sixteen (16) minutes. Nesta informed Rekenthaler that Mylan would not be able to launch on time with Teva. Rekenthaler immediately reported this news internally at Teva.

196. In early March 2014, Teva launched as the exclusive generic Capecitabine manufacturer. Teva remained the exclusive generic Capecitabine manufacturer until Mylan entered in August 2014.

197. On August 4, 2014, Nesta and Rekenthaler spoke by phone three times. On these calls, Nesta informed Rekenthaler that Mylan would soon enter the Capecitabine market and the pair discussed how to allocate the market.

198. For example, at 12:46pm that day, Nesta called Rekenthaler and they spoke for a little more than five (5) minutes. Immediately after hanging up the phone, Rekenthaler sent the following e-mail:

From: Dave Rekenthaler
Sent: Mon 8/04/2014 12:51 PM (GMT-05:00)
To: [REDACTED] Nisha Patel02
Cc: Maureen Cavanaugh
Bcc:
Subject: Capcetibine

Hearing Mylan to get approval this week. We need to look at our market and discuss defense strategy.

Cavanaugh responded that she would be in the office the next day and wanted to discuss it with Rekenthaler in person.

199. Less than an hour later, Rekenthaler sent another e-mail, just to Patel, asking her to run a customer report and indicating that Mylan will “be looking at ABC, McKesson, and Econdisc as well as a couple small guys, probably aiming at 35% share.” Mylan did seek the business for each of these three companies and Teva conceded each of them, pursuant to the agreement Rekenthaler had reached with Nesta.

200. On August 7, 2014, McKesson informed Teva that it received a bid for Capecitabine and gave Teva the opportunity to bid to retain the business. Patel then sent an e-mail to K.G., Rekenthaler, and C.B. at Teva to ask if they had “[t]houghts in regards to [loss of exclusivity].” C.B., a senior operations executive at Teva, replied that Teva did “have a plan,” but C.B. did not want to put the plan in writing. Instead C.B. told Patel she “wi[ll] call” to discuss it. K.G., separately, questioned whether the competitive bid was coming from Mylan, and asked Rekenthaler whether he had any additional information.

Rekenthaler also did not want to put that “additional information” in writing, so he responded: “I’ll catch up with you today.”

201. The “plan” was the market allocation scheme previously agreed to by Nesta and Rekenthaler on behalf of Mylan and Teva. The same day that Mylan put a bid in to McKesson – August 7, 2014 –Nesta and Rekenthaler spoke by phone for nearly thirteen (13) minutes. On that call, Rekenthaler and Nesta discussed Mylan’s bid to McKesson and reconfirmed their market allocation scheme.

202. This market allocation “plan” was highlighted in other e-mails as well. On August 10, 2014, C.B. e-mailed Rekenthaler, Patel, and K.G. about the plan. C.B. stated that C.B.’s “notes are showing that are (sic) plan is to concede McKesson, Econdisc, Rite-Aid, and Cardinal,” but that C.B. wanted to confirm. Rekenthaler corrected C.B., stating that Mylan is “going after McKesson, ABC (only) and Econdisc,” but that Teva “ha[s] not heard from Econdisc yet.” Rekenthaler knew Mylan was targeting Econdisc, even though Econdisc had not contacted Teva, because he and Nesta had previously discussed it.

203. The next morning, at 8:30am on August 11, 2014, Rekenthaler alerted others at Teva that Mylan had received formal approval to market Capecitabine and that he was “[c]hecking on shipping status.” Five minutes later, Rekenthaler received a call from Nesta. After exchanging voicemails, the two spoke at 8:52am. The call lasted nearly six (6) minutes. Shortly after hanging up the phone, at approximately 9:02am, Rekenthaler e-mailed K.G., Patel and others at Teva to confirm that Mylan’s “primary

targets are ABC, McKesson and Econdisc.” He added that Teva “may hear from some other smaller guys as well” and that he “do[es]n’t expect price to be aggressive.”

204. In accordance with their market allocation scheme, Mylan targeted and Teva conceded the Capecitabine business at ABC, Econdisc, and McKesson/Rite-Aid.

205. Teva also conceded some of the “smaller guys” as well, pursuant to the agreement. On August 14, 2014, for example, a smaller customer – Cigna – informed Teva that it received a bid for Capecitabine. On August 18, 2014, Rekenthaler called Nesta to discuss the market allocation scheme and Mylan’s bid to Cigna. The pair talked for thirteen (13) minutes. The next day, K.G. circulated an internal e-mail confirming that Teva “will be conceding this business” at Cigna.

b. Teva/Sandoz

i. Portia and Jolessa

206. Ethinyl estradiol and levonorgestrel, when used in combination, is an oral contraceptive used to prevent pregnancy. During the relevant time period, both Teva and Sandoz marketed ethinyl estradiol and levonorgestrel under multiple names – including both Portia and Jolessa.

207. In or around May 2012, Teva had much higher market share than Sandoz for both Portia and Jolessa. Teva’s market share for Portia was 37% compared to Sandoz’s 17%, while Teva’s market share for Jolessa was 43% compared to Sandoz’s 11%.

208. On May 11, 2012, Walmart contacted Teva with a right of first refusal and explained that another supplier had made an offer for the sale of four drugs, including

Portia and Jolessa. T.C., a senior sales executive at Teva, responded, “We really need to know who is challenging. Sandoz??? Glenmark???” The customer responded that it was Sandoz. T.C. had initially been very reluctant to let Sandoz have the business, candidly remarking to the customer that, “[w]e are not going to let Walmart go to Sandoz [because] we have conceded a number of accounts to Sandoz that were not as strategic to Teva.”

209. After sending out a competitive offer for the sale of three drugs, including Portia and Jolessa, to the customer on May 16, 2012 and an even more competitive offer on May 18 – Teva abruptly backtracked on May 23, 2012 and removed Portia and Jolessa from the offer. The night before this change in plans, on May 22, Green of Teva spoke on the phone with CW-2, then at Sandoz, for five (5) minutes, and agreed to withdraw the offer for Portia and Jolessa. The decision to concede the Walmart business to Sandoz led to a more equal share split between the companies for both Portia and Jolessa. Teva discussed the decision internally and explained that the reason for the “change in plans” was that Teva was “going to concede this business to Sandoz . . .”

210. Sandoz continued to coordinate with Teva to achieve its “fair share” of the markets for both Portia and Jolessa. On July 2, 2013, another key customer contacted Teva stating it had received bids on Portia and Jolessa and in order for Teva to retain the business, Teva would need to submit its “best bids.” On July 9, 2013, CW-1 of Sandoz called Patel and left a voicemail. Shortly thereafter, they connected for a sixteen (16) minute call. On July 10, Teva learned that the challenger was Sandoz. At 12:16pm, Rekenthaler forwarded an e-mail to Patel and posed the question, “Who’s over at Sandoz

now?” Patel did not respond by e-mail, but due to the close proximity of their offices she likely related her conversation with CW-1 directly to Rekenthaler.

211. Rekenthaler then called CW-2 at Sandoz at 1:26pm that same day and they spoke for two (2) minutes. CW-2 called Rekenthaler back a few minutes later and they spoke for nine (9) minutes. CW-2 and Rekenthaler would speak once more later that day, at 4:48pm, for seven (7) minutes. Later that same evening, Teva submitted a cover bid to the customer for Portia and Jolessa, which the customer described as “not aggressive enough” for their primary supply. Teva submitted an intentionally inflated bid for the two drugs in order to ensure that Sandoz obtained the primary award with the customer.

ii. Temozolomide

212. Temozolomide, also known by the brand name Temodar, is used to treat glioblastoma multiforme and refractory anaplastic astrocytoma, both cancers of the brain.

213. The patent on Temodar was set to expire in early 2014, but both Teva and Sandoz had independently obtained the right to launch in August 2013 – six months prior to the patent expiration. Leading up to the launch of the generic, Teva coordinated with Sandoz to divide up the market.

214. On July 18, 2013, a large retail pharmacy customer (“The Pharmacy”) submitted an RFP to Sandoz for Temozolomide. Playing by the rules of the road, Sandoz waited to see what Teva was going to do before submitting their own bid. That same day, CW-1 received a telephone call from Patel. Patel sought information on Sandoz’s current customers and discussed options to allocate customers for Temozolomide. Nothing was agreed to on that call.

215. On July 22, 2013, P.G., a senior Sandoz executive, instructed his team to find out Teva's plans with regard to The Pharmacy: "Please find out if Teva is submitting an offer to them." The next morning, S.G., a national accounts executive at Sandoz, spoke with The Pharmacy and asked The Pharmacy to find out Teva's plans. S.G. summarized his call with The Pharmacy to his team: "I just spoke to [The Pharmacy] regarding Temozolomide. [The Pharmacy] has not yet received an offer from Teva on the product. At this time, [The Pharmacy] is reaching out to Teva to understand their supply and launch status. [The Pharmacy] will be circling back and I will share the feedback we receive with everyone on this email trail."

216. At the same time, CW-1 was reaching out to Teva directly to get more information. CW-1 called Patel at approximately 1:45pm on July 23, 2013. After exchanging voicemails, they spoke for over fourteen (14) minutes that same afternoon.

217. Also on the afternoon of July 23, The Pharmacy replied to Sandoz and cryptically delivered Teva's message regarding its plans for Temozolomide:

From: [REDACTED]
Sent: Tuesday, July 23, 2013 3:26 PM
To: Greenstein, Steven
Subject:

8/11 launch

Looking to play nice in 2 player market

Have supply for that share.

What are your plans?

218. By using The Pharmacy as its intermediary, Teva was able to communicate to Sandoz (a) when it was prepared to launch Temozolomide, (b) that it was not planning to compete aggressively or pursue more than its fair share, (c) that it had sufficient stock of Temozolomide to sustain around a 50% market share, and (d) an inquiry regarding Sandoz's plans for Temozolomide. Sandoz understood the implications of the communication, and understood that "Teva is seeking a ~45-50% share." One Sandoz executive responded internally and exclaimed that this was "[g]reat news . . . !"

219. On July 30, 2013, another customer, CVS Caremark, contacted Teva asking for an offer on Temozolomide. T.C., a senior sales executive at Teva, discussed the matter internally and asked her boss, Rekenthaler, "[i]s the strategy to target CVS[?]" Rekenthaler responded by alluding to the deal that had already been struck with Sandoz: "We'll send offers out to everyone. My instincts tell me Sandoz will end up with them as we'll probably be more focused on [The Pharmacy] on this one. Again, we'll send them out an offer same time as everyone else and respond from there." Rekenthaler most likely got his information from Patel. Just one day earlier, on July 29, 2013, Patel had called CW-1 at Sandoz and spoke for nine (9) minutes, where the two discussed how to carve up the market for the drug.

220. Teva and Sandoz were also coordinating through other channels. After receiving the RFP from The Pharmacy, S.G. of Sandoz coordinated with T.S., a senior account executive at Teva, on a seven (7) minute call on July 29, 2013 followed by an eleven (11) minute call on July 31, 2013. After those calls, S.G. suggested in an internal e-mail on July 31 that Sandoz cede the business and instead submit a cover bid: "[The

Pharmacy] has received an offer from Teva on Temozolomide. They are asking for an offer from Sandoz. Even if we decide not to take this business, I would recommend that we submit an offer.”

221. Similarly, on July 29, 2013, Green spoke to CW-2 of Sandoz two (2) times. The two spoke again on July 31, 2013 for six (6) minutes. During those calls, Green told CW-2 about Teva’s launch plans and that Teva wanted the Pharmacy’s business. The next day, August 1, 2013, D.P., another Sandoz executive, e-mailed Kellum, conveying the message from Green:

From: [REDACTED] [/O=MMS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=[REDACTED]
[REDACTED]3108848C-2032-4369-BDD7-5742A8329215]
Sent: 8/1/2013 11:52:29 AM
To: Kellum, Armando [/O=MMS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Kellum, Armando3a1dd060-78e9-4d1c-904b-da70bd48a7c5]
CC: [REDACTED] [/O=MMS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=[REDACTED]554612fa-c83d-4cef-8dde-6baf08aeaa0f]
Subject: Teva temzol

AK:

[REDACTED] just got some intel from a reputable source:

Teva plans to launch on Monday (Aug 12)
Teva sending offers to all customers today
Teva wants [REDACTED]

Regards,
[REDACTED]

222. Teva and Sandoz communicated their future plans with each other for other accounts in addition to The Pharmacy and CVS. On July 31, 2013, D.P. of Sandoz e-mailed an update on Temozolomide to his coworker, stating: “Teva has sent offers to ABC and [The Pharmacy] and *is planning to send to Econdisc tomorrow[.]*”

223. Going forward, Sandoz and Teva continued to coordinate with respect to Temozolomide. On August 12, 2013, the same day as Teva’s launch, CW-2 met in person with Rekenhtaler at the Grand Lux Café in Las Vegas during the NACDS Total Store

Expo conference. There, Rekenthaler discussed, among other things, Temozolomide and informed CW-2 that Teva had officially launched and shipped all formulations of the drug.

224. Although Teva initially obtained the CVS account in August 2013 due to Sandoz's inability to supply the 250mg strength of Temozolomide, the companies had agreed that the account would revert back to Sandoz once Sandoz could supply that dosage strength. In an internal e-mail dated August 16, 2013, a Teva employee confirmed the plan: "This is perfect I spoke to [a CVS representative] and as soon as Sandoz is available to launch the 250mg we kill the contract."

225. CW-1 spoke to Patel both before and after Sandoz sent out any offers regarding Temozolomide in an effort to develop and ensure the appropriate fair share balance between the two competitors.

iii. Tobramycin

226. Tobramycin, also known by the brand name Tobi, is an eye drop used to treat bacterial infections.

227. Beginning in October 2013, prior to the first generic launch of Tobramycin (for which Teva would have 180-day generic exclusivity), Sandoz began making plans for its entry after Teva's exclusivity period. These plans included going after Sandoz's "fair share," but depended on Teva being "rational." A.S., a Sandoz executive responsible for product launches, wrote in an internal e-mail in October 2013: "[w]e will aim to go for our fair share of the market, and exact goals will depend on how Teva goes into the market on day 1, and how rational they behave on day 181."

228. As expected, Teva was “rational” when it came time to give up share to Sandoz. Nearing Teva’s loss of exclusivity and Sandoz’s entry, on July 1, 2014, Teva and Sandoz began sharing information and coordinating to divide up the market for Tobramycin. Patel exchanged seven (7) calls with CW-1 on July 1, during which they discussed Sandoz’s launch plans and how to divide up the market for Tobramycin. Patel conveyed some of this information in an internal Teva e-mail the same day, writing, “[A]s a heads up, I heard that Sandoz plans to ship Tobi [Tobramycin] prior to Akorn. Hearing they are ready to ship once they secure business, and we have been challenged.” The next day, Teva made the decision to concede two different accounts for Tobramycin to Sandoz.

229. On July 7, 2014, Patel and CW-1 spoke five more times, including one call lasting eleven (11) minutes. On these calls, CW-1 and Patel discussed how to divide up the market for Tobramycin, including specific accounts that each would maintain or concede to the other. Patel then memorialized the agreement in an e-mail two days later. The result: Teva would take Walgreens, McKesson, Econdisc, ABC, and Omnicare. Teva also planned to concede the Cardinal business to Sandoz.

230. Patel told CW-1 specifically that Teva would not even submit a bid to CVS. This was significant because Tobramycin was a very expensive product, and Sandoz was able to acquire the CVS business by offering only a nominal reduction to the extremely high Teva price.

231. According to plan, Teva conceded the CVS business to Sandoz after CVS contacted Teva and requested that Teva submit a lower price to retain the business.

Rekenthaler wrote in an internal e-mail, “I notified CVS that we would be conceding their business. [T.C.], never a pleasant call so I figured I’d simply handle it myself.” Teva also went through with its plan to concede Cardinal to Sandoz.

232. CW-1, in turn, told Patel that Sandoz would not pursue business from ABC and Walgreens. CW-1 spoke with Kellum about his conversations with Patel and the agreement to stay away from Walgreens and ABC, and Kellum agreed with the plan. Pursuant to that agreement, Sandoz made no effort to contact those two large customers when it entered the market.

233. CW-1 and Patel also discussed Sandoz’s target market share. CW-1 informed Patel that Sandoz was seeking a 50% share, but Patel thought that was “unrealistic due to Akorn’s expected entry.” After discussing Sandoz’s share goal with Rekenthaler, Patel went back to CW-1 and informed him “that a 25% share was reasonable.” Sandoz appeared to comply with that, as Patel observed that Sandoz “appear[s] to be taking a responsible approach.”

234. On July 9, 2014, one of the above allocated customers, Kinney Drugs, approached Teva asking for a lower price on Tobramycin. A Teva analyst stated in an internal e-mail, “[w]e are strategically going to decline to bid on this request per Nisha.” A Teva national accounts director was confused by this decision and responded, “Really? Do you have a little more detail? It is such a small qty.” The analyst responded and said, “[w]e were given direction from Nisha not to pursue this opportunity. My understanding of this is there is a new market entrant, (Sandoz) and we are trying to keep our current customers instead of picking up new business.” Patel’s direction had come after she had

called CW-1 at Sandoz twice on July 9, 2014 and left him a voicemail. CW-1 then returned her call the same day and the two spoke for four (4) minutes.

iv. Dexmethylphenidate HCL Extended Release

235. Dexmethylphenidate HCL Extended Release (“Dexmeth ER”) is a generic version of the drug Focalin, and it is used to treat attention deficit hyperactivity disorder (ADHD).

236. As Sandoz was preparing to enter the market on the 40mg strength of Dexmeth ER in February 2014, Patel of Teva spoke frequently with CW-1 at Sandoz about how to divide the market so that Sandoz could obtain its fair share without significantly eroding the price. On February 10, 2014, for example, CW-1 began internal preparations to pursue the Rite Aid account for Dexmeth ER 40mg. Later that night, CW-1 called Patel and the two spoke for more than thirteen (13) minutes. On February 18, Patel left a voicemail for CW-1. That same day, Teva conceded the Rite Aid account to Sandoz. Patel and CW-1 then spoke again by phone on February 20, 2014.

237. Similarly, on February 12, 2014, Sandoz submitted a bid to ABC for the 40mg strength of Dexmeth ER. After Patel spoke with CW-1 on February 10 and again on February 12, 2014, Teva agreed to let Sandoz have the business. In an e-mail to her team on February 12, Patel summarized the understanding that Teva had reached with Sandoz:

From: Nisha Patel02
 Sent: Wed 2/12/2014 6:34 PM (GMT-05:00)
 To: [REDACTED]
 Cc:
 Bcc:
 Subject: Re: ABC Dexmethylphenidate 40mg - Challenge

We have 100% of the market, so will have to give someone up. ABC is the smallest wholesaler, so it makes sense for this class of trade. Sandoz is being responsible with their pricing. We should be responsible with our share. Plus, between the WBAD members, makes more sense to hold onto Walgreens than ABC, if we were going to lose one of them.

Sent from my iPhone

238. One of the Teva national account managers on the e-mail responded by confirming that the approach “makes total sense.”

239. On February 14, 2014, Teva also refused to lower its price for Dexmeth ER when approached by a GPO customer, Anda, even though Sandoz’s price was not significantly lower than Teva’s – essentially conceding the business to Sandoz.

240. Further, on February 20, 2014, another large retail customer approached Teva indicating that because a new competitor had launched for Dexmeth ER, the customer was entitled to certain price protection terms (i.e., a lower purchase price for the drug). Patel spoke to CW-1 the same day for almost twenty-one (21) minutes. The next day, February 21, Patel responded internally about the customer’s request, with additional inside information from Sandoz, stating: “[t]he competitor (Sandoz) has not yet shipped. The new price will become effective on and the price protection should be calculated on the date that Sandoz ships. The expected date is 2/28/14.”

241. Also on February 21, 2014, Patel sent a calendar invite to Rekenthaler and other team members for a meeting on February 24 where one of the topics to be discussed was “Post Launch Strategy” for “Dexmethylphenidate 40mg: Sandoz (AG) entering

market.” Not surprisingly, she called CW-1 a few days later, on February 27, to further coordinate about Dexmeth ER.

242. Throughout this time period, Sandoz abided by fair share principles and its ongoing understanding with Teva. In February 2014, Sandoz’s target market share for varying strengths of Dexmeth ER varied by how many manufacturers were in the market. Teva and Sandoz were not alone in allocating customers for certain formulations of Dexmeth ER. The agreement was also carried out by other manufacturers allowing Sandoz to take share from them. In February 2014, for example, as Sandoz was seeking share on the 15mg dosage strength of Dexmeth ER, Par “gave up the business to keep the market share even.” As Sandoz was entering the market, Rekenthaler of Teva was speaking to M.B., a senior national account executive at Par, right around the same times that Patel had been speaking to CW-1 – including two calls on February 10 (18 and 3 minutes), two (2) calls on February 19 (2 and 22 minutes), and calls on February 24 and 25, 2014 – in order to effectuate the scheme.

243. The market allocation scheme between Teva and Sandoz on Dexmeth ER continued through at least mid-2015. On May 6, 2015, for example, Teva declined to submit a bid to Walgreens for Dexmeth ER 5mg on the basis that “there is equal share in the market between competitors.” Similarly, on June 30, 2015, Sandoz declined to put in a bid to Managed Health Care Associates, a large GPO, on Dexmeth ER 20mg, on the basis that Sandoz already had 57% market share – greater than its sole competitor on this dosage strength, Teva. When a Sandoz national account representative communicated

this decision to the customer, he lied and explained that the decision not to bid was based on limited supply.

c. Teva/Lupin

i. Lamivudine/Zidovudine (generic Combivir)

244. Lamivudine/Zidovudine, also known by the brand name Combivir, is a combination of medications used in the treatment of human immunodeficiency virus (HIV) infection. This combination of drugs is often prescribed to decrease the chances that an HIV- positive patient will develop acquired immunodeficiency syndrome (AIDS) or other related illnesses.

245. Teva launched its generic Combivir product in December 2011.

246. In mid-May 2012, two competitors – Lupin and Aurobindo – received FDA approval for generic Combivir and were preparing to enter the market.

247. Even before those two companies obtained FDA approval, Teva was communicating with both about how to share the market with the new entrants. Rekenthaler was speaking to R.C., a senior-most executive at Aurobindo, while Green was speaking to Berthold of Lupin and Grauso of Aurobindo.

248. For example, on April 24, 2012, T.C. of Teva asked her co-workers whether they had heard about any new entrants to the market for generic Combivir. Rekenthaler responded immediately that Aurobindo was entering. When T.C. questioned that information based on her understanding of how quickly the FDA typically approved new product applications, Rekenthaler assured her that the information was coming from a reputable source:

From: Dave Rekenthaler
Sent: Tuesday, April 24, 2012 11:17 AM
To: [REDACTED]
Subject: RE: what r you guys hearing on generic combivir?

It was brought up to me last week by our good friend so I'm assuming it's accurate.

That “good friend” was Aurobindo’s R.C., who had previously worked with both T.C. and Rekenthaler while at Teva. Rekenthaler was reluctant to identify R.C. in writing as it would evidence conspiratorial communications between the two competitors. To confirm this information, Green also called and spoke to Grauso of Aurobindo that same day for twelve (12) minutes and Berthold of Lupin for four (4) minutes.

249. After speaking with Berthold, Green responded separately to T.C., providing specific information regarding Lupin’s entry plans, including commercially sensitive intelligence about Lupin’s anticipated bid at a large wholesaler. Green and Berthold then spoke again the next day, April 25, 2012, for seven (7) minutes.

250. In early May, with the Lupin and Aurobindo launches just days away, communications among all three competitors accelerated noticeably. Over the four-day period from May 7 to May 10, for example, the three companies spoke at least 32 times, as set forth in the table below:

Date	Call Type	Target Name	Direction	Contact Name	Duration
5/7/2012	Voice	Berthold, David (Lupin)	Incoming	Grauso, Jim (Aurobindo)	0:01:10
5/7/2012	Text	Berthold, David (Lupin)	Incoming	Grauso, Jim (Aurobindo)	0:00:00
5/7/2012	Voice	Berthold, David (Lupin)	Incoming	Grauso, Jim (Aurobindo)	0:00:04
5/7/2012	Voice	Berthold, David (Lupin)	Outgoing	Grauso, Jim (Aurobindo)	0:00:40
5/7/2012	Voice	Berthold, David (Lupin)	Outgoing	Grauso, Jim (Aurobindo)	0:00:41
5/7/2012	Voice	Berthold, David (Lupin)	Incoming	Grauso, Jim (Aurobindo)	0:00:03
5/7/2012	Voice	Berthold, David (Lupin)	Incoming	Grauso, Jim (Aurobindo)	0:03:40
5/7/2012	Voice	Berthold, David (Lupin)	Incoming	Grauso, Jim (Aurobindo)	0:01:36
5/7/2012	Voice	Berthold, David (Lupin)	Outgoing	Grauso, Jim (Aurobindo)	0:00:04
5/8/2012	Voice	Berthold, David (Lupin)	Incoming	Grauso, Jim (Aurobindo)	0:02:32
5/8/2012	Voice	Berthold, David (Lupin)	Outgoing	Grauso, Jim (Aurobindo)	0:00:17
5/8/2012	Voice	Green, Kevin (Teva)	Outgoing	Grauso, Jim (Aurobindo)	0:01:00
5/8/2012	Voice	Green, Kevin (Teva)	Outgoing	Grauso, Jim (Aurobindo)	0:02:00
5/8/2012	Voice	Berthold, David (Lupin)	Incoming	Green, Kevin (Teva)	0:04:47
5/8/2012	Voice	Berthold, David (Lupin)	Incoming	Green, Kevin (Teva)	0:04:31
5/8/2012	Voice	Berthold, David (Lupin)	Incoming	Grauso, Jim (Aurobindo)	0:00:04
5/8/2012	Voice	Berthold, David (Lupin)	Incoming	Green, Kevin (Teva)	0:02:29
5/8/2012	Voice	Berthold, David (Lupin)	Incoming	Grauso, Jim (Aurobindo)	0:01:23
5/8/2012	Voice	Berthold, David (Lupin)	Incoming	Green, Kevin (Teva)	0:04:23
5/8/2012	Voice	Berthold, David (Lupin)	Outgoing	Green, Kevin (Teva)	0:00:24
5/8/2012	Voice	Berthold, David (Lupin)	Incoming	Green, Kevin (Teva)	0:07:57
5/8/2012	Voice	Berthold, David (Lupin)	Outgoing	Grauso, Jim (Aurobindo)	0:00:02
5/9/2012	Voice	Grauso, Jim (Aurobindo)	Outgoing	Green, Kevin (Teva)	0:13:00
5/9/2012	Voice	Berthold, David (Lupin)	Incoming	Grauso, Jim (Aurobindo)	0:06:07
5/9/2012	Voice	Berthold, David (Lupin)	Incoming	Grauso, Jim (Aurobindo)	0:01:01
5/9/2012	Voice	Berthold, David (Lupin)	Outgoing	Grauso, Jim (Aurobindo)	0:01:39
5/9/2012	Voice	Berthold, David (Lupin)	Incoming	Grauso, Jim (Aurobindo)	0:07:27
5/9/2012	Voice	Berthold, David (Lupin)	Outgoing	Grauso, Jim (Aurobindo)	0:03:10
5/10/2012	Voice	Berthold, David (Lupin)	Incoming	Grauso, Jim (Aurobindo)	0:10:15
5/10/2012	Voice	Berthold, David (Lupin)	Incoming	Green, Kevin (Teva)	0:05:52
5/10/2012	Voice	Berthold, David (Lupin)	Outgoing	Grauso, Jim (Aurobindo)	0:00:03
5/10/2012	Voice	Berthold, David (Lupin)	Outgoing	Grauso, Jim (Aurobindo)	0:13:29

251. During this four-day period, the three individuals were negotiating and discussing the specific customers that Teva would concede and retain in order to make Lupin and Aurobindo's entry into the generic Combivir market as seamless as possible. The phone records demonstrate several instances during this 4-day period where two of the individuals referenced above (Green, Berthold and/or Grauso) would speak, followed

by a phone call by one of those two individuals to the individual that was not part of the original conversation.

252. On May 10, 2012, at the conclusion of this four-day period of intensive communications, K.G. of Teva informed his colleagues of the results. He confirmed that “Lupin and Aurobindo anticipate approval and launch.” Importantly, he went on to list the specific accounts that Teva had negotiated to retain in order to hold on to a 40% market share in generic Combivir. K.G. also identified the specific accounts that Teva would concede to its competitors Aurobindo and Lupin.

253. Even before the negotiations with Aurobindo and Lupin were finalized, K.G. made it clear to the sales team that Teva would be cooperating with its competitors to provide them with their fair share of the generic Combivir market. On May 9, 2012, when a major customer was pressing Teva for a bid, K.G. instructed T.C. that Teva did not plan to keep that customer. When T.C. asked if she should provide any bid at all, K.G. directed her to provide a sham bid, saying:

From: [REDACTED]
Sent: Wed 5/09/2012 2:54 PM (GMT-05:00)
To: [REDACTED]
Cc:
Bcc:
Subject: RE: Combivir - Multisource Strategy

We can send them a proposal that will not work.

254. Three days later, when preparing the bid for that customer, T.C. pushed back on K.G.’s directive on price, asking: “Can we send something that at least looks like we are trying?” But K.G. refused, responding that they could not go any lower or else

Teva might risk actually winning the business. He concluded: “We really need to concede this business with the accounts we have kept.”

255. In a separate e-mail exchange with T.C. on that same day, May 11, 2012, K.G. told T.C. that another of her major customers was not on the list for Teva to retain with respect to generic Combivir. He reminded her of the goal of the overarching conspiracy, stating that Teva should concede that customer “. . . in order to preserve market pricing as much as possible.” K.G. pointed out that such a move would give Teva its fair share as the first entrant: “40-45% market share in a three player market.” T.C. then informed that customer that Teva would not compete for its business because “we need to concede some share.”

256. Lupin was able to enter the market for generic Combivir and obtain more than a 30% market share without significantly eroding the price due to the understanding with Teva and Aurobindo that each was entitled to its fair share of the market.

ii. Irbesartan

257. Irbesartan is a drug used in the treatment of hypertension. It prevents the narrowing of blood vessels, thus lowering the patient’s blood pressure. Irbesartan is also known by the brand name Avapro®.

258. Teva received approval to manufacture generic Irbesartan in March 2012.

259. On March 6, 2012, Teva’s K.G. polled the Teva sales team seeking information about competitors that were also making offers to supply Irbesartan.

260. At 11:27am, J.P., an account manager at Teva responded: “Lupin is promising offers today.” Less than twenty minutes later, Green placed a call to Berthold

at Lupin. They talked for seventeen (17) minutes. Shortly after hanging up the phone, Green e-mailed his colleagues with the information he obtained:

From: Kevin Green
 Sent: Tue 3/06/2012 12:26 PM (GMT-05:00)
 To: [REDACTED]; Dave Rekenthaler; [REDACTED]
 Cc: [REDACTED]; Maureen Cavanaugh
 Bcc:
 Subject: RE: Irbesartan

Lupin is looking for a 15% share. They already have ABC. Confirmed Zydus is out. I assume Winthrop id the AG

261. That same day, Rekenthaler informed the group that he still had not received “a call from any other manufacturer on Irbesartan.” He received an immediate response from a senior commercial operations executive at Teva, expressing his displeasure:

From: [REDACTED]
 Sent: Tue 3/06/2012 3:08 PM (GMT-05:00)
 To: Dave Rekenthaler; [REDACTED]; Kevin Green; [REDACTED]
 Cc: [REDACTED]; Maureen Cavanaugh
 Bcc:
 Subject: RE: Irbesartan

Then work harder....

262. At 10:54am the next day, Green called Berthold again. They spoke for nearly seven (7) minutes. At 12:20pm, K.G. of Teva shared with the sales team the competitively sensitive information Green had obtained. Included were the details Berthold had shared with Green about which competitors were launching/not launching the drug, and the identity of the customers that received offers. K.G. stated that Teva was

in a position to take up to a 40% market share when it launched Irbesartan on March 30, 2012.

iii. Drospirenone and ethinyl estradiol (Ocella)

263. Drospirenone and ethinyl estradiol, commonly known by the brand name Ocella®, is a pair of drugs used in combination as an oral contraceptive. This drug is also marketed under the brand names Yaz®, Yasmin® and Gianvi®.

264. Barr Pharmaceuticals received approval to market generic Ocella in 2008, and Teva continued to market the drug after the acquisition of Barr in 2011 under the name Gianvi®.

265. In late 2012, Lupin received approval to market a generic Ocella product.

266. By April 2013, Lupin was making plans for a summer 2013 entry into the market and contacted Teva to initiate negotiations on how the competitors would allocate fair share between themselves. On April 24, 2013, Berthold of Lupin called Green at Teva. The two spoke for over three (3) minutes. Berthold called Green two more times the following day.

267. The negotiations intensified the following week among Teva, Lupin, and a third competitor – Actavis. In preparation, on April 29, 2013, K.G. of Teva asked a colleague for current market share figures along with a list of Teva's generic Ocella customers. The colleague responded with a customer list, estimating Teva's current share of the market at 70-75%.

268. The next day, April 30, A.B., a senior sales and marketing executive at Actavis, and Rekenthaler of Teva spoke twice by phone. That same day, Patel of Teva also called A.B. On May 1, Patel sent A.B. four (4) text messages.

269. The competitors' communications continued into early May. On May 6, Patel and Berthold spoke twice by phone; the second call lasting twenty-two (22) minutes. Green and Berthold also spoke that same day. On May 7, Patel and Berthold had yet another call, this one lasting over ten (10) minutes. Patel also placed a call to Rogerson at Actavis, which lasted thirty-nine seconds.

270. Faced with the news it had received from a major customer on May 8 – that Actavis had bid for that customer's business for generic Ocella – Teva doubled down on its efforts to reach a deal with its competitors that would give each its fair share. Patel called Rogerson on May 8, and they spoke for nineteen (19) minutes. On May 9, Green spoke with Berthold twice, for one (1) and twelve (12) minutes, respectively.

271. The following day, Teva's L.R. complied with Rekenthaler's request for an analysis of the business Teva would lose by conceding its two major customers for this drug to Actavis and/or Lupin. Armed with that analysis, Patel spoke to Berthold three times that afternoon – with one call lasting over seventeen (17) minutes. Patel also called Rogerson at Actavis and the two spoke for more than five (5) minutes.

272. On May 14, 2013, K.G. of Teva recommended to Rekenthaler that Teva concede the business to Actavis. Rekenthaler replied simply: "Agreed."

273. On July 10, 2013, Green spoke to Berthold twice (for more than eight (8) minutes and more than two (2) minutes). After the first of those calls, Green requested specific information from a colleague to help him continue to negotiate with Lupin:

From: Kevin Green
Sent: Wednesday, July 10, 2013 9:46 AM
To: [REDACTED]
Cc: [REDACTED]; Nisha Patel02
Subject: Ocella

Tom,

Can you run me the normal profitability analysis on all customers with pricing and market share. Lupin is entering the market.

Later that day, Green called and spoke to Patel for more than seven (7) minutes, conveying what he had learned from Berthold. During that call, the two decided that Patel would call Berthold back and confirm the agreement between Teva and Lupin. Patel called Berthold shortly after and the two spoke for more than four (4) minutes. They spoke again first thing the next morning, for nearly one (1) minute.

274. The next day, Patel e-mailed Green, saying: “BTW, Ocella. Check!” Green, confused by the e-mail, responded: “Huh... you are calling....correct?” Patel confirmed that she had indeed called her counterpart at Lupin: “Yes. I was saying it’s all done.”

275. Discussions between Teva and Lupin continued on July 17, 2013 with a call between Green and Berthold that lasted twenty (20) minutes.

276. On July 29, 2013, Green announced to his colleagues: “Lupin has entered and we need to evaluate.”

277. The lines of communication between competitors Teva and Lupin remained open and active over the next few months as they worked on the details of which company would take which generic Ocella accounts. On September 5, 2013, for example, Rekenthaler conveyed to a colleague the importance of retaining a particular customer's account, along with his understanding of Green's discussions with Berthold about Lupin's desired market share. Green spoke to Berthold by phone twice the following day to confirm the understanding between the two companies.

278. On September 9, 2013, K.G. of Teva sent an internal e-mail to his colleagues conveying his thoughts about Lupin's bid for a portion of another customer's generic Ocella business. He informed them that because Teva had secured two other significant customers, "we will likely need to give up some of our formulary position to this new market entrant."

279. In mid-October 2013, as Teva and Lupin finalized the allocation of accounts between them, K.G. sent a word of caution to a co-worker, reminding her of the parameters of the furtive arrangement. He told her to be careful before conceding large customers on a "bucket basis" rather than drug-by-drug in order to "make sure we are not giving up volume on products where we do not have our fair share."

iv. Norethindrone/ethinyl estradiol (Balziva®)

280. Norethindrone/ethinyl estradiol, also known by the brand name Ovcon®35, is a combination of medications used as an oral contraceptive. Teva markets its generic version of this combination medication under the name Balziva®.

281. On January 23, 2014, a customer informed Teva that a new market entrant was seeking a share of its business. Teva employees surmised that the entrant was Lupin, as it had recently obtained approval to begin marketing its generic of Ovcon®35.

282. Teva employees discussed internally how to make room for this new player in the market, with one expressing concern that “[w]e would lose our current market lead if we were to concede this business.”

283. The discussions about how to share the market with the recent entrant were not limited to internal communications, however. On January 24, 2014, Patel spoke to Berthold at Lupin twice by phone.

284. Five days later, on January 29, Patel informed Rekenthaler of her recommendation based on her communications with Berthold, to take a cooperative stance towards this competitor, saying: “Kevin and I are in agreement that we should concede part of the business to be responsible in the market.”

285. On February 4, Patel received the profitability analysis she requested in order to determine how much of the customer’s business to hand over to Lupin. That same day, she spoke to Berthold two more times to further coordinate Lupin’s seamless entry into the market.

d. Teva/Greenstone

i. Oxaprozin Tablets

286. Oxaprozin, also known by the brand name Daypro, is a nonsteroidal anti-inflammatory drug (NSAID). It is used to treat rheumatoid arthritis, osteoarthritis, and juvenile rheumatoid arthritis.

287. Greenstone entered the market for Oxaprozin 600mg Tablets on March 27, 2013. It entered with the exact same WAC pricing as Teva. In the days and weeks leading up to Greenstone's entry into the market, Green of Teva and R.H., an account executive at Greenstone, were in frequent communication by phone and text to coordinate the entry, as set forth in more detail below:

Date	Call Type	Target Name	Direction	Contact Name	Time	Duration
3/6/2013	Voice	R.H. (Greenstone)	Incoming	Green, Kevin (Teva)	8:47:46	0:10:57
3/11/2013	Voice	R.H. (Greenstone)	Incoming	Green, Kevin (Teva)	15:24:26	0:01:30
3/11/2013	Voice	R.H. (Greenstone)	Incoming	Green, Kevin (Teva)	19:25:44	0:02:38
3/18/2013	Voice	R.H. (Greenstone)	Outgoing	Green, Kevin (Teva)	18:03:08	0:00:36
3/18/2013	Voice	R.H. (Greenstone)	Incoming	Green, Kevin (Teva)	18:44:27	0:04:51
3/20/2013	Voice	R.H. (Greenstone)	Incoming	Green, Kevin (Teva)	7:59:16	0:02:22
3/21/2013	Voice	R.H. (Greenstone)	Incoming	Green, Kevin (Teva)	16:31:40	0:00:00
3/21/2013	Voice	R.H. (Greenstone)	Outgoing	Green, Kevin (Teva)	16:42:27	0:00:27
3/21/2013	Voice	R.H. (Greenstone)	Incoming	Green, Kevin (Teva)	16:43:56	0:04:04
3/22/2013	Voice	R.H. (Greenstone)	Incoming	Green, Kevin (Teva)	10:20:36	0:00:00
3/22/2013	Voice	R.H. (Greenstone)	Outgoing	Green, Kevin (Teva)	10:45:41	0:00:10
3/22/2013	Text	R.H. (Greenstone)	Outgoing	Green, Kevin (Teva)	10:51:04	0:00:00
3/22/2013	Voice	R.H. (Greenstone)	Incoming	Green, Kevin (Teva)	10:56:51	0:02:13
3/27/2013	Voice	R.H. (Greenstone)	Incoming	Green, Kevin (Teva)	17:26:41	0:00:00

During these communications, Teva agreed to concede specific customers to Greenstone in order to avoid competition and price erosion resulting from Greenstone's entry.

288. Part of the understanding between the companies was that Teva would concede at least two large customers - CVS and Cardinal- to Greenstone, and that Teva would retain Walmart as a customer. On March 27, 2013, however, Teva learned that Greenstone had either misunderstood the deal or was trying to cheat on the agreement by approaching Walmart .

289. On March 27, 2013, T.C. of Teva forwarded an e-mail that T.C. had received from Walmart to Green and Rekenhaller. The e-mail from Walmart, sent the

same day, requested that Teva provide a more competitive price on Oxaprozin 600mg tablets because Walmart had received a new bid from a competitor (Greenstone).

290. Rekenthaler's immediate reaction to T.C.'s e-mail was "Great. More idiots in the market..." In subsequent e-mails between T.C. and Rekenthaler, T.C. reminded Rekenthaler that, pursuant to the agreement with Greenstone, "[w]e just conceded at cardinal . . . remember[?]" Rekenthaler corrected T.C., stating that Teva had conceded both Cardinal *and* CVS to Greenstone. Rekenthaler remarked that "[t]hey should not have gone to Walmart. Poor strategy on their part for sure." In her reply, T.C. made it clear that there was an understanding between Teva and Greenstone:

From: [REDACTED]
Sent: Wed 3/27/2013 4:36 PM (GMT-05:00)
To: Dave Rekenthaler; Kevin Green
Cc:
Bcc:
Subject: RE: Oxaprozin 600mg Tab

I thought they said they were done after cardainl.. I am pissed.

291. Teva took immediate steps to address the situation. That same day – March 27, 2013 –Green called R.H. at Greenstone at 5:25pm but she did not answer. The next morning, at 8:06am, T.C. sent an e-mail to Walmart stating: "Addressing this morning..." Less than a half hour later, T.C. sent an e-mail to Green, stating: "CALL ME IN MY OFFICE when you get a chance."

292. After Green spoke to T.C., he immediately called R.H. at Greenstone. R.H. relayed the information from Green to her boss, Nailor, in a series of conversations and text messages over the course of that morning, and later in the day, as set forth below:

Date	Call Type	Target Name	Direction	Contact Name	Time	Duration
3/28/2013	Voice	R.H. (Greenstone)	Incoming	Green, Kevin (Teva)	8:57:21	0:00:00
3/28/2013	Voice	R.H. (Greenstone)	Outgoing	Green, Kevin (Teva)	11:09:50	0:04:52
3/28/2013	Voice	R.H. (Greenstone)	Outgoing	Nailor, Jill (Greenstone)	11:15:18	0:00:00
3/28/2013	Voice	R.H. (Greenstone)	Outgoing	Nailor, Jill (Greenstone)	11:15:39	0:01:23
3/28/2013	Voice	R.H. (Greenstone)	Outgoing	Green, Kevin (Teva)	11:22:04	0:00:45
3/28/2013	Voice	R.H. (Greenstone)	Incoming	Green, Kevin (Teva)	12:15:08	0:00:00
3/28/2013	Voice	R.H. (Greenstone)	Outgoing	Green, Kevin (Teva)	12:18:28	0:04:45
3/28/2013	Voice	R.H. (Greenstone)	Outgoing	Green, Kevin (Teva)	13:38:50	0:03:15
3/28/2013	Text	R.H. (Greenstone)	Incoming	Nailor, Jill (Greenstone)	18:52:14	0:00:00
3/28/2013	Text	R.H. (Greenstone)	Outgoing	Nailor, Jill (Greenstone)	18:59:45	0:00:00
3/28/2013	Text	R.H. (Greenstone)	Outgoing	Nailor, Jill (Greenstone)	18:59:47	0:00:00
3/28/2013	Text	R.H. (Greenstone)	Incoming	Nailor, Jill (Greenstone)	19:00:29	0:00:00
3/28/2013	Text	R.H. (Greenstone)	Outgoing	Nailor, Jill (Greenstone)	19:07:29	0:00:00
3/28/2013	Text	R.H. (Greenstone)	Outgoing	Nailor, Jill (Greenstone)	19:07:31	0:00:00
3/28/2013	Text	R.H. (Greenstone)	Outgoing	Nailor, Jill (Greenstone)	21:15:51	0:00:00
3/28/2013	Text	R.H. (Greenstone)	Outgoing	Nailor, Jill (Greenstone)	21:15:53	0:00:00
3/28/2013	Text	R.H. (Greenstone)	Incoming	Nailor, Jill (Greenstone)	23:23:53	0:00:00

During those conversations, Greenstone agreed to withdraw the offer to Walmart and honor the agreement with Teva.

293. At 1:22pm that day, after several of the communications outlined above, Walmart sent an e-mail to T.C. at Teva confirming that Greenstone had in fact withdrawn its offer: “FYI - I just received word from Greenstone that they have met their market share and the proposal has expired. Please see what you can do with pricing.” T.C. forwarded the e-mail to Green, with a one-word response making it clear that Teva would not be reducing its price for Oxaprozin: “FUNNY.”

294. Pursuant to the agreement between Greenstone and Teva, there was very little price erosion as a result of Greenstone’s entry. A couple of months later, as

Defendant Dr. Reddy's was preparing to enter the market for Oxaprozin (discussed more fully below), a Dr. Reddy's representative commented positively that "[p]ricing [is] still high" on Oxaprozin. That same representative had also talked to wholesaler Cardinal about the drug, and conveyed that "Cardinal switched to Greenstone. Teva was 'fine' with it!"

ii. Tolterodine Tartrate

295. Tolterodine Tartrate, also known by the brand name Detrol, is in the antispasmodics class of medications. It is used to treat overactive bladder by improving the ability to control urination.

296. Greenstone entered the market for Tolterodine Tartrate 1mg and 2mg Tablets ("Tolterodine") on January 23, 2014 with the exact same WAC prices as Teva for all formulations. In the days leading up to Greenstone's entry, R.H. and Nailor of Greenstone were speaking frequently to Patel and Rekenthaler of Teva to coordinate Greenstone's entry into the market. Those calls and text messages include at least those set forth below:

Date	Call Type	Target Name	Direction	Contact Name	Time	Duration
1/21/2014	Voice	Patel, Nisha (Teva)	Incoming	Nailor, Jill (Greenstone)	14:40:25	0:00:00
1/21/2014	Voice	Patel, Nisha (Teva)	Incoming	Nailor, Jill (Greenstone)	14:40:48	0:00:12
1/21/2014	Text	Patel, Nisha (Teva)	Outgoing	R.H. (Greenstone)	16:38:41	0:00:00
1/21/2014	Voice	R.H. (Greenstone)	Outgoing	Nailor, Jill (Greenstone)	17:11:38	0:00:28
1/21/2014	Voice	R.H. (Greenstone)	Incoming	Nailor, Jill (Greenstone)	17:33:42	0:03:12
1/21/2014	Voice	Patel, Nisha (Teva)	Incoming	R.H. (Greenstone)	17:37:55	0:18:09
1/21/2014	Voice	R.H. (Greenstone)	Outgoing	Nailor, Jill (Greenstone)	17:57:37	0:00:00
1/21/2014	Voice	Nailor, Jill (Greenstone)	Outgoing	Rekenthaler, David (Teva)	18:23:09	0:00:00
1/21/2014	Voice	Nailor, Jill (Greenstone)	Outgoing	Rekenthaler, David (Teva)	18:26:58	0:00:46
1/22/2014	Text	Nailor, Jill (Greenstone)	Incoming	Rekenthaler, David (Teva)	9:47:36	0:00:00
1/22/2014	Voice	Nailor, Jill (Greenstone)	Incoming	Teva Pharmaceuticals	11:25:37	0:09:53
1/22/2014	Voice	Patel, Nisha (Teva)	Outgoing	Nailor, Jill (Greenstone)	15:33:20	0:00:00
1/22/2014	Voice	Patel, Nisha (Teva)	Outgoing	Nailor, Jill (Greenstone)	15:33:26	0:00:04
1/22/2014	Text	Patel, Nisha (Teva)	Outgoing	Nailor, Jill (Greenstone)	15:33:47	0:00:00
1/22/2014	Text	Patel, Nisha (Teva)	Outgoing	Nailor, Jill (Greenstone)	15:33:49	0:00:00
1/22/2014	Text	Patel, Nisha (Teva)	Incoming	Nailor, Jill (Greenstone)	16:00:44	0:00:00
1/22/2014	Text	Patel, Nisha (Teva)	Incoming	Nailor, Jill (Greenstone)	16:00:46	0:00:00
1/22/2014	Text	Patel, Nisha (Teva)	Outgoing	Nailor, Jill (Greenstone)	16:00:59	0:00:00
1/22/2014	Text	Patel, Nisha (Teva)	Outgoing	Nailor, Jill (Greenstone)	16:01:01	0:00:00
1/22/2014	Voice	Patel, Nisha (Teva)	Incoming	Nailor, Jill (Greenstone)	16:26:26	0:11:09

During these calls and text messages, Teva and Greenstone agreed that Teva would concede business to Greenstone in order to avoid significant price erosion in the market.

297. The day after Greenstone's entry - January 24, 2014 - in a message to Teva national account managers about how important it was for them to determine and document which competitor was challenging Teva for business in a particular situation (because it would help Teva determine whether to concede or not) Patel stated: "As we've heard, Greenstone is entering the market for Tolterodine. I'm sure we will have to concede somewhere. . . ."

298. On January 28, 2014, Teva was informed by CVS that it had received a competitive price challenge on Tolterodine. K.G. of Teva immediately asked: "do we know who this could be?" Rekenthaler responded that it was Greenstone, but did not want to put the details into writing:

From: Dave Rekenthaler
Sent: Tue 1/28/2014 4:02 PM (GMT-05:00)
To: [REDACTED]
Cc: Maureen Cavanaugh; Nisha Patel02
Bcc:
Subject: RE: price challenge delphi 10707 cvs tolterdine

It's Greenstone, new to market. We can discuss.

The next day, Patel and R.H. of Greenstone tried to reach each other several times, and were ultimately able to speak once, for more than two (2) minutes.

299. On Monday, February 3, 2014, Patel instructed a colleague at Teva to concede the business at CVS by providing a small price reduction that she knew would not be sufficient to retain the business. T.C. of Teva, who had the customer relationship with CVS, challenged the decision to concede the business. Rekenthaler responded – again not wanting to put the details into writing:

On Feb 3, 2014, at 11:29 AM, "Dave Rekenthaler" <Dave.Rekenthaler@tevapharm.com> wrote:

[REDACTED] I'll discuss the details of this with you later. There was a strategy here and you weren't in the office Thursday or Friday so we proceeded. Again, it will make sense after I discuss with you.

The next day, Patel called R.H. at Greenstone and the two spoke for nearly sixteen(16) minutes.

300. After some internal discussions at Teva regarding the CVS business, Teva confirmed its decision to concede CVS to Greenstone. CVS represented more than 20% of Teva's business on Tolterodine.

iii. Piroxicam

301. Piroxicam, also known by the brand name Feldene, is a nonsteroidal anti-inflammatory drug (NSAID). Piroxicam is used to treat rheumatoid arthritis, osteoarthritis, and juvenile rheumatoid arthritis.

302. On March 3, 2014, Greenstone received FDA approval to market Piroxicam Capsules. It entered the market with the exact same WAC pricing as Teva for both the 10mg and 20mg capsules.

303. Greenstone immediately began seeking potential customers. At 10:07am on March 5, 2014, J.L. of Teva sent an e-mail to Patel informing her that Greenstone had just received Piroxicam approval and was challenging Teva on several accounts. J.L. asked Patel: "Do we have any strategy in place for Piroxicam?"

304. Before responding to that e-mail, Patel sought to negotiate strategy with Greenstone. Patel called R.H. at Greenstone at 10:55am and they spoke briefly. Shortly after that call, Patel also called R.H.'s boss, Nailor. At 2:14pm that afternoon, Patel and Nailor spoke briefly. Immediately after hanging up with Nailor, Patel responded to J.L.'s e-mail:

From: Nisha Patel02
 Sent: Wed 3/05/2014 2:17 PM (GMT-05:00)
 To: [REDACTED]
 Cc: [REDACTED]
 Bcc: [REDACTED]
 Subject: RE: Piroxicam CPCs in house

[REDACTED]
 We will need to concede, but either way, will need to understand the value involved. This will help us to determine the share we want to retain v. concede and in order of customers. Please create the concede analysis and customer profitability analysis (the type that [REDACTED] did yesterday for Amphetamine IR).

305. Teva immediately began preparing a strategy to deal with Greenstone's entry into the Piroxicam market. On March 6, 2014, Patel requested a customer profitability and share analysis. During these negotiations with competitors regarding market entry, it was typical for Teva employees to request a "customer profitability and share analysis" (as Patel did here) so they could easily determine which customers to concede when talking to competitors about dividing the market.

306. That same day, Patel had multiple calls with Nailor and R.H. at Greenstone to discuss their plans for dividing the Piroxicam market. At least some of those calls are set forth in the table below:

Date	Call Type	Target Name	Direction	Contact Name	Time	Duration
3/6/2014	Voice	R.H. (Greenstone)	Outgoing	Patel, Nisha (Teva)	10:00:22	0:00:29
3/6/2014	Voice	R.H. (Greenstone)	Incoming	Patel, Nisha (Teva)	10:29:29	0:03:23
3/6/2014	Voice	R.H. (Greenstone)	Outgoing	Patel, Nisha (Teva)	12:14:29	0:00:00
3/6/2014	Voice	R.H. (Greenstone)	Outgoing	Patel, Nisha (Teva)	12:14:52	0:00:03
3/6/2014	Voice	R.H. (Greenstone)	Incoming	Patel, Nisha (Teva)	12:33:08	0:01:10
3/6/2014	Voice	R.H. (Greenstone)	Incoming	Patel, Nisha (Teva)	15:07:50	0:05:10
3/6/2014	Voice	R.H. (Greenstone)	Outgoing	Nailor, Jill (Greenstone)	15:20:18	0:00:00
3/6/2014	Voice	R.H. (Greenstone)	Outgoing	Nailor, Jill (Greenstone)	15:20:29	0:00:43
3/6/2014	Voice	Patel, Nisha (Teva)	Incoming	Nailor, Jill (Greenstone)	17:32:25	0:00:00
3/6/2014	Voice	Patel, Nisha (Teva)	Incoming	Nailor, Jill (Greenstone)	17:32:48	0:01:02

307. The next day - March 7, 2014 - after the flurry of phone calls detailed above, Patel sent an e-mail to L.R., a customer marketing manager at Teva, identifying specific customers to concede to Greenstone. Based on her several conversations with Greenstone, and her understanding of the concept of fair share, Patel also noted: "I'm guessing that Greenstone will not stop here since we are the share leader, but for the customers listed below, we should concede. We will review additional challenges as they come, if they come."

308. Additional challenges did come. On March 12, 2014, Patel learned that Greenstone was challenging Teva at CVS – Teva's largest account for Piroxicam. Teva refused to concede CVS to Greenstone because CVS represented 26.1% of Teva's total market share for that drug. Teva lowered its price by 20%, and the next morning CVS notified Teva that it would retain the account. The same day, after hearing that Teva was not going to back down on the CVS challenge, R.H. of Greenstone called Patel at 1:41pm and they spoke briefly.

309. Teva and Greenstone continued to coordinate their allocation over the coming days and weeks. On March 17, 2014, Patel called R.H. and they spoke briefly. R.H. called Patel back at 11:35pm that same day and they spoke for fifteen (15) minutes. Immediately after speaking to Patel, R.H. called Nailor and they spoke for ten (10) minutes. Teva retained the CVS account but conceded other customers (representing less market share) to Greenstone through March and April.

310. For example, on March 25, 2014 Teva learned of a challenge from Greenstone at Anda, a wholesaler distributor. Following an analysis of its market share,

Teva determined that it still had more than its fair share of the market. Pursuant to the understanding among generic manufacturers alleged above, Teva determined that it would be prudent to concede the Anda business to Greenstone on Piroxicam, in order to alleviate any future challenges from Greenstone. Patel agreed with the decision to concede on April 1, 2014.

iv. Cabergoline

311. Cabergoline, also known by the brand name Dostinex, is used to treat medical problems that occur when too much of the hormone prolactin is produced. It can be used to treat certain menstrual problems, fertility problems in men and women, and tumors of the pituitary gland.

312. In December 2014, as Greenstone was preparing to enter the market for Cabergoline, F.H., a senior executive responsible for generic products at a large joint venture between a retail pharmacy (“The Pharmacy”) and a large wholesaler (“The Wholesaler”) to pool the companies’ drug purchasing globally, approached T.C. of Teva on Greenstone’s behalf. In a December 9, 2014 e-mail, F.H. directly sought to facilitate a customer allocation between Greenstone and Teva:

I need to talk to you about Cabergoline. Greenstone is now shipping and they are targeting [The Wholesaler] and 2 small grocery chains. [The Wholesaler] owes Greenstone a favor and would be ok if you walked away from their business. Greenstone has promised to play nice in the sandbox. Let me know if you are available to discuss.

The Wholesaler represented about 13% of Teva’s total business for Cabergoline, and about \$861,000 in annual net sales.

313. T.C. of Teva did not respond immediately, asking for a little extra time “to figure something out on our side.” F.H. responded: “Of course. I will let G[reen]stone know not to do anything crazy.”

314. The next day, after some internal conversation at Teva, T.C. agreed to the proposed allocation: “Tell Greenstone we are playing nice in the sandbox and we will let them have [The Wholesaler].”

315. Pursuant to this agreement, Greenstone was able to acquire The Wholesaler as a customer for Cabergoline without any fear that Teva would compete to retain the business. In exchange, Greenstone agreed to “play nice in the sandbox” – i.e., not compete with Teva for other customers and drive prices down in the market.

e. Teva/Actavis

i. Amphetamine/Dextroamphetamine Extended Release

316. Amphetamine/Dextroamphetamine Extended Release, also known by the brand name Adderall XR®, is a medication used in the treatment of attention deficit hyperactivity disorder (ADHD). The drug is comprised of a combination of dextroamphetamine salts and levoamphetamine salts and is sometimes referred to as “Mixed Amphetamine Salts” or “MAS.”

317. Teva began marketing generic Amphetamine/Dextroamphetamine Extended Release (“MAS-XR”), after the expiration of brand manufacturer Shire’s patent on Adderall XR®.

318. On April 9, 2012, a large customer contacted Teva to request a price reduction because a new competitor had expressed an interest in “all or some” of its

MAS-XR business. A senior Teva sales director, T.C., insisted on knowing the identity of the competitor before deciding what Teva's response would be. The customer responded that the competitor was Actavis, and that Actavis was expecting approval soon to enter the market for that drug.

319. Teva deferred its decision on pricing until Actavis was in a position to ship the product.

320. Actavis obtained FDA approval to manufacture various formulations of MAS-XR on June 22, 2012. At 9:58pm that same evening, Rekenthaler instructed Teva employees to find out Actavis's plans regarding its newly-approved generic, including shipping details and inventory levels. At 8:32am the next morning, Teva employee T.S. responded that she had spoken to M.P., a senior Actavis sales and marketing executive, and conveyed to Rekenthaler the details of their conversation:

From: [REDACTED]
Sent: Saturday, June 23, 2012 8:32 AM
To: Dave Rekenthaler; [REDACTED] Kevin Green
Subject: Re: Actavis Adderall XR

Spoke to [REDACTED]. Going after approx 15 share.
 1 wholesaler (either McKesson or Cardinal) as backup and possibly Econdisc. NOT Walgreens and CVS.

The customer that had sought a price reduction from Teva in April 2012 was not among those named by Actavis as its targets.

321. Upon learning which customers Actavis wanted, T.C. warned colleagues that this allocation of market share could be tricky. She cautioned that if Teva decided to concede a particular wholesaler to Actavis, it needed to be "mindful" that the wholesaler

also did product warehousing for a different customer whose business Actavis was not soliciting.

322. One year later, Teva's customer renewed its request for a price reduction on MAS-XR, citing Actavis's desire to gain a share of the customer's business for the drug. On May 7, 2013, T.C. informed the customer that Teva would agree to revise its price in order to retain 100% of the customer's business. T.C. made it clear that Teva had already conceded an appropriate amount of business to its competitor. She stated: "... we have plenty of supply and want to keep you [sic] full business [sic] we have already let other customers go to activis [sic] go to help the market dynamites [sic]."

ii. Amphetamine/Dextroamphetamine Immediate Release

323. Amphetamine/Dextroamphetamine Immediate Release, also known by the brand name Adderall IR®, is a medication used in the treatment of attention deficit hyperactivity disorder (ADHD). The drug is an immediate release formulation comprised of a combination of dextroamphetamine salts and levoamphetamine salts and is sometimes referred to as "Mixed Amphetamine Salts" or "MAS-IR."

324. In March 2014, Aurobindo was making plans to enter the market with its MAS-IR product. On March 18, 2014, Teva's J.P. shared with her colleagues that Aurobindo's market share target for the impending launch was 10%. Teva's senior marketing operations executive, K.G., indicated that Teva was aware that both Aurobindo and Actavis were launching.

325. A flurry of telephone communications between Teva and these two competitors took place on the days surrounding the foregoing e-mail. The day before, on

March 17, 2014, Patel had spoken to Actavis's Director of Pricing, Rick Rogerson, three (3) times. Rekenthaler and Falkin of Actavis also spoke once on that day. On March 18, 2014, the day of the e-mail, Rekenthaler and R.C., a senior-most executive at Aurobindo, had a thirty (30) minute telephone conversation. Rekenthaler and Falkin spoke again seven (7) times on March 20, 2014.

326. On April 16, 2014, Teva received word from a customer that a new competitor in the market had offered a lower price than Teva's current price for MAS-IR. Patel informed K.G. that the challenge was coming from Actavis and recommended that Teva concede that customer's account. At 1:43pm, she communicated to another colleague that the decision had been made to concede. Apparently closing the loop, she called Rogerson at Actavis at 1:55pm. They spoke for just over four (4) minutes.

iii. Dextroamphetamine Sulfate Extended Release

327. Dextroamphetamine Sulfate Extended Release, also known by the brand name Dexedrine® and sometimes referred to as "Dex Sulfate XR," is a medication used to stimulate the central nervous system in the treatment of hyperactivity and impulse control.

328. On June 19, 2014, as Actavis was entering the market for Dex Sulfate XR, Patel reviewed a profitability analysis for that drug and asked Rekenthaler what share of the market Actavis was targeting. Rekenthaler responded: "20-25%." Rekenthaler knew Actavis's market share goals because he and Falkin of Actavis had spoken twice by phone that morning – once for more than eleven (11) minutes and again for more than nine (9) minutes.

329. Five days later on June 24, 2014, Teva employee S.B. confirmed to her colleagues in an e-mail that Actavis had entered the market for Dex Sulfate XR. She remarked that Teva had a 72.2% share of this “multi-player market” and thus recommended giving up a large customer to Actavis and reducing Teva’s market share to 58.3% – in accordance with the industry understanding to allocate the market, and Teva’s ongoing agreement with Actavis. Later internal e-mails confirmed Teva’s decision to concede that customer to Actavis because “Actavis is entering the market and seeking share.”

iv. Clonidine-TTS

330. Clonidine-TTS Patch—also known by the brand name Catapres-TTS—is a medication in the form of a transdermal patch that is used to treat high blood pressure.

331. Teva began marketing Clonidine-TTS in 2010 after the expiration of brand manufacturer Boehringer Ingelheim’s patent on Catapres-TTS®.

332. On May 6, 2014, Actavis was granted approval to market Clonidine-TTS. Teva and Actavis immediately commenced an extensive negotiation over price and market share. Rekenthaler and Falkin spoke by phone three times that day for fifteen (15) minutes, one (1) minute, and three (3) minutes, respectively.

333. The next day, Rekenthaler announced to his colleagues that Actavis was entering the market. K.G. of Teva responded by requesting that Patel come up with a recommendation as to which customers Teva should concede to Actavis. At the same time, Teva employees bemoaned Actavis’s “ridiculous” low pricing for a new entrant, saying that price “is already eroded here.”

334. On May 8, 2014, Teva personnel accelerated their efforts to convince Actavis to revise its pricing and market share plans for Clonidine-TTS to more acceptable levels with an even more intensive flurry of phone calls. On that day, Rekenthaler spoke to Falkin three more times (5-, 10-, and 8-minute calls). Patel spoke to Rogerson at Actavis four times, the last call coming at 9:54am. At 10:02am, she informed her colleagues of the results of the negotiations, instructing them: “Please concede Ahold and HEB.”

335. The following day, May 9, 2014, Patel learned from yet another customer of a “competitive price challenge” on this drug. Suspecting the source of the challenge was Actavis, Patel called Rogerson three times. Following those conversations, Patel informed her colleagues that Actavis wanted 25% of the market. She also stated that Actavis would likely want 10%-15% of that share from Teva. During those conversations, she also likely conveyed her displeasure to Rogerson about how low Actavis’s pricing was, because not long after those phone calls, she conveyed to her supervisor, K.G., that “I just found out that Actavis rescinded their offer.” Shortly after that, Patel also learned that Actavis had “resent all of their offer letters at pricing that is higher than our [Teva’s] current.”

336. Rekenthaler described to his colleagues the agreement he was willing to strike with Actavis over market share, saying: “I’m okay with adjusting 15% but we’re not going to play any games with them. They take the 15% and I don’t want to hear about this product again.” Teva’s senior sales executive, T.C., cautioned him on the importance of maintaining a cooperative stance towards this competitor, saying: “now, now Mr.

Rekenthaler play nice in the sand box If history repeats itself activist [sic] is going to be responsible in the market....”

337. The market share give-and-take between Teva and Actavis continued over the coming weeks, with Teva conceding accounts to the new entrant in order to allow Actavis to achieve its fair share of the market for Clonidine-TTS. On May 14, 2014, for example, Patel told colleagues that Teva must be “responsible” and concede a particular wholesaler’s account to Actavis. On May 17, 2014, Teva conceded a large retailer account to Actavis. On May 20, 2014, Patel again declined to bid at another customer due to the new entrant Actavis, stating: “We are trying to be responsible with share and price.”

338. When L.R., Teva’s analytics manager, recommended giving up yet another Clonidine-TTS account to Actavis on May 23, 2014, after several conversations between Patel and Rogerson the prior day, K.G. of Teva reluctantly approved, saying: “[o]kay to concede, but we are getting to the point where we will not be able to concede further.”

v. Budesonide Inhalation

339. Budesonide Inhalation, also known by the brand name Pulmicort Respules®, is an anti-inflammatory steroid, administered through inhalers or similar devices, used to prevent asthma attacks.

340. Teva obtained approval to market Budesonide Inhalation in November 2008. Prior to February 2015, Teva controlled virtually the entire market for generic Budesonide Inhalation, with other competitors having less than 1% market share.

341. On February 13, 2015, Rekenthaler informed other Teva employees of Actavis's plans to enter the market, saying: "[i]t appears that Actavis is intending on shipping" Budesonide Inhalation. Rekenthaler and Falkin of Actavis had spoken by phone three days earlier on February 10, 2015.

342. On February 16, 2015, Rekenthaler and Falkin had another lengthy telephone conversation lasting twenty-three (23) minutes. The following morning, Teva's T.C. confirmed to her colleagues that Teva had conceded the Budesonide Inhalation accounts of two major customers to Actavis. She explained that Actavis's sense of urgency to obtain the accounts was due to concerns about getting its product into market before it faced legal action from the brand manufacturer. Thus, she explained, she was working with the customers on an "exit strategy" to get Teva's product out of the supply channel, so as to streamline Actavis's entry into the market.

vi. Celecoxib

343. Celecoxib, also known by the brand name Celebrex®, is a nonsteroidal anti-inflammatory medication used in the treatment of pain and inflammation associated with arthritis, juvenile rheumatoid arthritis, and other disorders.

344. Teva received approval to market generic Celecoxib in May 2014.

345. On November 20, 2014, as Teva was preparing to launch its generic Celecoxib capsules, a customer informed Teva that Actavis was vying for some of the customer's Celecoxib business. The customer indicated that Actavis was preparing for a launch of its own and had advocated its position by pointing out that it was just trying to

“get their share” in light of the fact that Teva had already secured over 30% of the market.

346. Rekenthaler took a cooperative – rather than competitive – stance upon hearing that news, saying: “That’s all pretty accurate and hard to argue with.”

347. By December 1, 2014, however, the issue of where Actavis would obtain its desired market share remained undecided. Another customer, a large retail pharmacy chain (“The Pharmacy”), became actively involved in trying to broker an agreement between Teva and Actavis on how much share each company would take upon launch. Actavis reportedly sought 25% of The Pharmacy’s Celecoxib business. A representative of The Pharmacy told Teva’s T.C. that “he would not move this unless we are all on the same page” and that he did not have an issue with sending Actavis “a message.”

348. Rekenthaler’s response was consistent with the “fair share” understanding, saying “I don’t want to give up anything We’re at 32% and I think that’s reasonable.”

349. In the days leading up to Teva’s December 10, 2014 launch, Teva executives had numerous telephone conversations with their counterparts at Actavis. Rekenthaler had a six (6) minute call with Falkin at Actavis on November 25. The two spoke twice more on December 3 – once for two (2) minutes and another time for one (1) minute. Patel spoke to A.B., a senior sales and marketing executive at Actavis, for over eight (8) minutes on December 5, and for over sixteen (16) minutes on December 8. Rekenthaler and Falkin resumed their communications the day before the Teva launch – December 9 – with a one (1) minute phone call. On the day of the launch – December 10

– Rekenthaler and Falkin spoke three times with calls of one (1) minute, nine (9) minutes, and three (3) minutes in duration.

f. Teva/Par

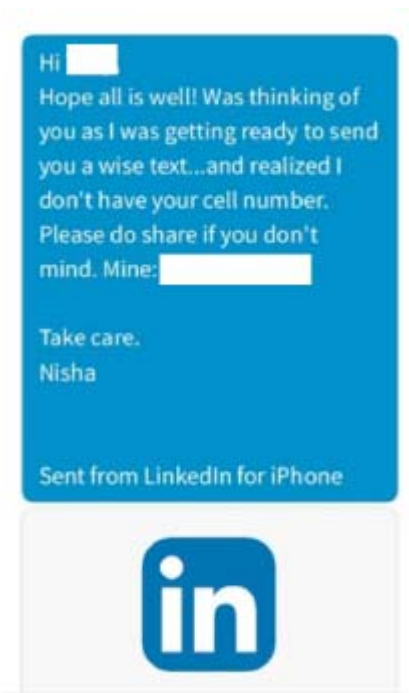
i. Omega-3-Acid Ethyl Esters

350. Omega-3-Acid Ethyl Esters, also known by the brand name Lovaza, is a lipid- regulating agent used to lower levels of triglycerides.

351. Teva launched Omega-3-Acid Ethyl Esters on April 8, 2014. During this time period, manufacturers of the drug were all experiencing various supply problems, affecting how much market share each would be able to take on.

352. On the morning of June 26, 2014, Patel e-mailed C.B., a senior operations executive at Teva, to inform C.B. that Par had recently received FDA approval for Omega-3-Acid Ethyl Esters. C.B. responded by asking if Par had started shipping that product. Patel replied at 10:24am that she had not heard anything yet, but promised to “snoop around.”

353. Patel had indeed already started “snooping around.” At 9:46am, she had sent a message to T.P., a senior-most executive at Par, through the website LinkedIn, stating:



T.P. did not respond through LinkedIn, but texted Patel on her cell phone later that day, initiating a flurry of ten (10) text messages between them in the late afternoon and early evening of June. That night, Patel followed up with C.B., informing her that the only thing Patel knew at that point was that Par was limited on supply, but that she was “working on getting more . . .”

354. The next morning, T.P. called Patel and they spoke for nearly thirty (30) minutes. That was the first and only voice call ever between the two according to the phone records. That same morning, Patel informed C.B. that she now had “some more color” on Par’s launch of Omega-3-Acid Ethyl Esters and would “fill you in when we speak.” Patel also communicated this information to Rekenthaler. At 11:27am that same morning, Rekenthaler sent an e-mail to T.C., a Teva sales executive, with a veiled – but clear – understanding about Par’s bidding and pricing plans:

You're aware PAR receive [sic] an approval. I would imagine that CVS is going to receive a one time buy offer from PAR. I'm also assuming the price would be above ours so there should not be a price request (which we would not review anyway). My point in the email is to ensure that you are aware of all of this

355. Par launched Omega-3-Acid Ethyl Esters Capsules the following Monday, June 30, 2014.

356. After the discussions between Patel and T.P. at Par, Teva proceeded to concede business to Par to ensure Par's smooth entry into the market. As of July 11, 2014, Teva's share of the market for new generic prescriptions had dropped 15.9 points to 84.1% and its share of the total generic market (new prescriptions and refills) had dropped 16.3 points to 83.7%.

357. As new competitors entered the market, Teva coordinated with them to avoid competition and keep prices high. For example, in an internal e-mail on October 2, 2014, Teva's K.G. stated that "[w]e heard that Apotex may be launching with limited supply and at a high price." Rekenhtaler had obtained this information through phone calls with J.H., a senior sales executive at Apotex, on September 25 and 27, 2014 – and then conveyed the information internally at Teva.

358. Because of supply limitations, Par was not able to meaningfully enter the market until late November 2014. On November 10, 2014, Patel and T.P. exchanged five (5) text messages. On December 1, 2014, Teva was notified by a customer that it had received a price challenge on Omega-3-Acid Ethyl Esters. T.C. at Teva speculated that the challenge was from Apotex, but Rekenhtaler knew better, stating "I'm confident it's

Par.” Rekenthaler informed T.C. that Teva would not reduce its price to retain the business – thus conceding the business to Par.

359. By mid-February 2015, Teva had conceded several large customers to Par to smooth Par’s entry into the market and maintain high pricing. During this time, Rekenthaler was speaking frequently with M.B., a senior national account executive at Par, to coordinate.

360. By April 2015, Apotex had officially entered the market, and consistent with the “fair share” understanding, Teva’s market share continued to drop. By April 25, Teva’s share of the market for new generic prescriptions for Omega-3-Acid Ethyl Esters had dropped to 68.3% and its share of the total generic market (new prescriptions and refills) had dropped to 66.8%. Rekenthaler was speaking frequently with J.H. at Apotex to coordinate during the time period of Apotex’s entry in the market.

ii. Entecavir

361. Entecavir, also known by the brand name Baraclude, is a medication used to treat chronic Hepatitis B.

362. As Teva was preparing to enter the market for Entecavir in August 2014, T.C., a senior sales and business relations executive at Teva, informed an executive at WBAD that Teva was planning on launching Entecavir “shortly” depending on when the FDA approved the drug. T.C. further noted: “We may or may not be alone on the market at launch. Sandoz has a settlement and we do not know their terms. Apotex has recently filed a PIV [Paragraph IV certification] but we invalidated the patent. We are hearing

PAR has the [authorized generic] and is stating they will launch after we launch, but there is still a good chance we may be alone in the market for a short time.”

363. On August 28, 2014, Rekenthaler informed Teva sales employees that Teva had received approval on Entecavir and would circulate offers later that day or the next day. Rekenthaler noted: “[w]e are looking for at least a 60 share. Known competition is Par with an [authorized generic].” Rekenthaler also noted that Teva would be pricing as if they were “exclusive” in the market, and expressed concern that customers might react negatively to the launch of this drug “because of our recent price increase [on other drugs].”

364. The same day, August 28, 2014, Rekenthaler had three phone calls with M.B., a senior national account executive at Par. The two spoke two (2) more times the next day, August 29, 2014.

365. On August 29, a Teva sales employee reported that a customer had informed her that Par was launching Entecavir at a lower price point than Teva. The employee inquired whether Teva might consider reducing its price as well. Rekenthaler, after speaking with M.B. at Par several times on August 28 and 29, replied that Teva would remain firm on the price and noted that he was “doubtful PAR will be much lower.” Despite Teva’s refusal to lower its price, that customer signed an agreement with Teva to purchase Entecavir.

366. Also on August 29, Rekenthaler e-mailed T.C. asking if she had received any feedback from CVS on Entecavir. T.C. replied that she had not, and followed up later saying that ABC had indicated that it would sign Teva’s offer letter. Rekenthaler replied:

“Great, that helps. We may end up conceding our friends up north [CVS] if they make too much fuss.” T.C. dismissed that concern: “I think they will work with us really... We need them they need us so we just have to make it work.”

367. Teva and Par both launched their respective Entecavir products on September 4, 2014. Within days of its launch, Teva had captured 80% of the market for new generic prescriptions and 90.9% of the total generic market (new prescriptions and refills).

368. Within a few weeks, however, Teva’s share of the market was much more in line with “fair share” principles – 52.6% for new generic prescriptions, and 47% of the total generic market (new prescriptions and refills).

369. On October 9, 2014, another customer, who had already received a discount on Entecavir, asked for an additional discount to “help close the gap with current market prices.” Teva declined to do so, citing that the “pricing is competitive and in line with the market.” Rekenenthaler had spoken to M.B. at Par twice on October 2, 2014.

370. The two-player market for Entecavir remained stable over time. By January 2, 2015, Teva’s share of the market for new generic prescriptions was 52.2%, and its share of the total generic market (new prescriptions and refills) was 46.7%.

iii. Budesonide DR Capsules

371. Budesonide DR Capsules, also known by the brand name Entocort EC, is a steroid used to treat Crohn’s disease and ulcerative colitis when taken orally.

372. Teva was preparing to enter the market for Budesonide DR in or about March 2014. At that time, it was a 2-player market: Par had 70% market share and Mylan had the remaining 30%.

373. Shortly before Teva received approval to market Budesonide DR, Par decided to increase the price of the drug. On April 1, 2014, M.B., a senior national account executive at Par, called Rekenthaler at Teva. The two executives spoke for twenty-six (26) minutes. The next day, April 2, 2014 — which happened to be the same day that Teva received FDA approval to market Budesonide DR — Par increased its price for Budesonide DR by over 15%.

374. That same day, Teva sales employees were advised to find out which customers were doing business with Par and which were with Mylan, so that Teva would have a better sense of how to obtain its fair share: “it would be helpful to gather information regarding who is with mylan and who is with par...they are the two players in the mkt...as well as usage.”

375. Par and Mylan were also communicating at this time. On April 3, 2014 — the day after the Par price increase — K.O., a senior account executive at Par, spoke to M.A., a senior account manager at Mylan, for fifteen (15) minutes.

376. On April 4, 2014, Rekenthaler informed some members of Teva’s sales force that, although the company had received approval to market and manufacture Budesonide DR, Teva was not prepared to launch the product and he did not yet know when it would do so. Nonetheless, Rekenthaler spoke to both Nesta, the Vice President of Sales at Mylan, and M.B., a similarly high-level executive at Par, that same day.

377. Although Teva did not launch Budesonide DR until approximately June 2016, company executives clearly attempted to coordinate pricing and market share with its competitors in anticipation of its product launch date.

g. Teva/Taro

i. Enalapril Maleate

378. Enalapril Maleate (“Enalapril”), also known by the brand name Vasotec®, is a drug used in the treatment of high blood pressure and congestive heart failure.

379. In 2009, Taro discontinued its sales of Enalapril under its own label and effectively exited the market. It continued supplying Enalapril thereafter only to certain government purchasers under the “TPLI” label.

380. By mid-2013, the Enalapril market was shared by three players: Mylan with 60.3%, Wockhardt with 27.5%, and Teva with 10.7%. As discussed more fully below in Section IV.C.2.h, those three companies coordinated a significant anticompetitive price increase for Enalapril in July 2013.

381. Shortly before the Teva and Wockhardt price increases, on or about July 12, 2013, Aprahamian, the Vice President of Sales and Marketing at Taro, was considering whether to renew or adjust Taro’s price on Enalapril for its national contract (for government purchasers), which was slated to expire in September 2013.

382. In the midst of that coordinated price increase, however, Aprahamian was communicating with both Patel of Teva as well as M.C., a senior sales and marketing executive at Wockhardt, about Enalapril. As a result of those conversations, Taro’s plans changed.

383. On July 17, 2013 – the same day that Teva was taking steps to implement the price increase – Patel called Aprahamian and left a message. He returned the call and the two spoke for almost fourteen (14) minutes. Then, on July 19, 2013 – the day that both Teva and Wockhardt’s price increases for Enalapril became effective –Aprahamian called M.C. at Wockhardt on his office phone and left a message. He then immediately called M.C.’s cell phone, which M.C. answered. They spoke for nearly eleven (11) minutes.

384. On the morning of July 19, Aprahamian sent an internal e-mail to Taro colleagues signaling a change in plans:

From: Ara Aprahamian/US/TARO

To: [REDACTED]

Cc: [REDACTED]

Date: 07/19/2013 07:19 AM

Subject: Taro Enalapril

Currently if I'm not mistaken we only supply the government with Enalapril in TPLI label (looks like we exited our label in 2009). There has been some significant changes in the market landscape with this product and I'd like to get product back in Taro label (and fast).

Aprahamian followed up with another e-mail shortly after, adding that Taro “[w]ould only look for 10-15% MS [market share] but with recent market changes and units on this product, it would be incremental.”

385. In the coming months, both Teva and Taro engaged in intensive analyses of how the market should look after Taro’s re-launch so that each competitor would have its desired, or “fair,” share of the market.

386. On July 31, 2013, for example, Patel provided her analysis of the drugs Teva should bid on in response to a request for bids from a major customer, which was largely based on whether Teva had reached its “fair share” targets. Enalapril was one of the drugs where, according to Patel, Teva was “seeking share,” so she authorized the submission of a bid. Prior to sending that e-mail, Patel had spoken to Aprahamian on July 30 (11 minute call) and July 31, 2013 (4 minute call). Based on the agreement between the two companies, and in accordance with the industry’s “fair share” code of conduct, Taro understood that it would not take significant share from Teva upon its launch because Teva had a relatively low market share compared to others in the market.

387. Meanwhile, as he worked on pricing for Taro’s upcoming re-launch, Aprahamian emphasized to his colleagues that Taro’s final prices would be set largely based on “continued market intelligence to secure share”

388. In early December 2013, Taro was fully ready to re-enter the Enalapril market. On December 3, 2013, Aprahamian consulted twice by phone with Mylan’s senior account executive, M.A., during conversations of two (2) and eleven (11) minutes.

389. On December 4, 2013, one customer that had recently switched from Wockhardt to Teva expressed an interest in moving its primary business to Taro for the 2.5mg, 5mg, 10mg, and 20mg strengths. At 4:30pm that afternoon, Aprahamian instructed a colleague to prepare a price proposal for that customer for all four products.

390. Before sending the proposal to the customer, however, Aprahamian sought the input of his competitor, Teva. On December 5, 2013, he and Patel spoke by phone for nearly five (5) minutes.

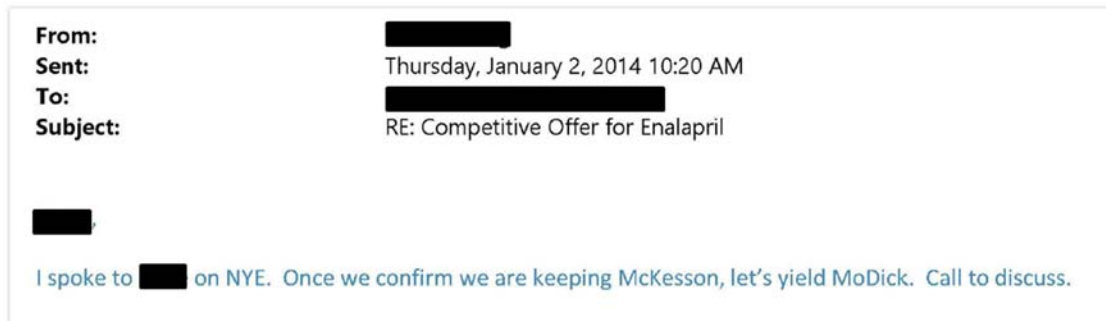
391. Taro's fact sheet for the Enalapril re-launch generated on the day of Aprahamian's call with Teva showed a "[t]arget market share goal" of 15%, with pricing identical to Teva's and nearly identical to Wockhardt's and Mylan's.

392. Taro began submitting offers on Enalapril the following day, December 6, 2013. But even with the bidding process underway, Aprahamian made certain to communicate with Mylan's M.A. during a brief phone conversation that afternoon. This particular communication was important since Mylan was the market share leader and Taro was targeting more of Mylan's customers than those of other competitors.

393. Over the next ten days, the discussions between Taro and Mylan continued over how to allocate the Enalapril market. Aprahamian and M.A. talked for ten (10) minutes on December 11, and for seven (7) minutes on December 12.

394. Thereafter, and with the likely consent of Mylan, Aprahamian reported on an internal Sales and Marketing call on December 16, 2013, that Taro's prior target Enalapril market share goal of 15% had been raised to 20%.

395. Taro continued to gain share from both Mylan and Wockhardt, and to coordinate with both. For example, in late December, Taro submitted a competitive offer to Morris & Dickson, a Wockhardt customer. This caused M.C. of Wockhardt to call Aprahamian on December 31, 2013, to discuss the situation. During the call, M.C. agreed that so long as Wockhardt was able to retain McKesson as a customer, it would concede Morris & Dickson to Taro. In an e-mail on January 2, 2014, S.K. of Wockhardt conveyed the details to his colleagues:



396. By May 2014 the market was stable, and market share for Enalapril was reasonably distributed among the companies. As Teva was considering whether to bid on specific drugs for an RFP sent out by a large wholesaler customer, Patel provided the following caution with regard to Enalapril: “no bid due to potential market/customer disruption, aka strategic reasons.” The same day she sent that e-mail – May 14, 2014 – Patel spoke to Aprahamian for more than four (4) minutes, and exchanged eight (8) text messages with him.

397. By June 2014, Taro had obtained 25% market share for Enalapril in a 4-player market. Mylan and Teva each had approximately 28% market share.

ii. Nortriptyline Hydrochloride

398. Nortriptyline Hydrochloride (“Nortriptyline”), also known by the brand name Pamelor, is a drug used to treat depression.

399. While Taro was approved in May 2000 to market generic Nortriptyline, it subsequently withdrew from the market. As of early 2013, the market was shared by only two players – Teva with a 55% share, and Actavis with the remaining 45%.

400. By February 2013, Taro personnel had come to believe that they should reclaim a portion of this market, one opining that “...Nortriptyline capsules should be seriously considered for re-launch as soon as possible.”

401. In early November, Taro was formulating re-launch plans, including a “Target Market share goal” for Nortriptyline of 25% that would leave Teva with 42.45% and Actavis with 31.02%.

402. On November 6, 2013, Aprahamian pressed his team to “...get some offers on Nortrip[tyline] out . . .” He emphasized the need to find out who currently supplied two particular large customers so that Taro could “determine our course (Cardinal or MCK)”.

403. Two days later, on November 8, Aprahamian received confirmation that McKesson was a Teva customer.

404. Several days of conversations ensued among the affected competitors in an effort to sort out how Teva and Actavis would make room for Taro in this market. For example, Rekenthaler of Teva and Falkin of Actavis spoke twice by phone on November 10, 2013.

405. Then, on November 12, 2013, Taro’s Aprahamian called Patel at Teva. Their conversation lasted almost eleven (11) minutes. That same day, Aprahamian announced to his colleagues that Taro would not be pursuing Teva’s business with McKesson, saying simply: “Will pass on MCK on Nortrip.” Accordingly, he instructed a subordinate to put together an offer for Cardinal instead.

406. The discussions of how to accommodate Taro into the Nortriptyline market were far from over, however. Falkin of Actavis and Rekenthaler of Teva spoke on November 14, 15 and 18. Falkin also exchanged two text messages with Defendant Maureen Cavanaugh of Teva on November 17, and one on November 18, 2014.

407. Immediately following this series of discussions, Aprahamian began delivering a new message to his team: Taro had enough offers out on Teva customers – it needed to take the rest of its share from Actavis. On November 19, 2013 when a colleague presented an opportunity to gain business from Teva customer HD Smith, Aprahamian flatly rejected the idea, saying: “Looking for Actavis.. [sic] We have outstanding Teva offers out .. [sic]”.

408. The next day, November 20, 2013, another Taro employee succeeded in finding an Actavis customer that Taro might pursue. Armed with this new information, Aprahamian wasted no time in seeking Actavis’s permission, placing a call to M.D., a senior national account executive at Actavis, less than four hours later. They ultimately spoke on November 22, 2013 for more than eleven (11) minutes.

409. Meanwhile, Teva employees finalized plans to cede Cardinal to Taro as discussed in the negotiations with Actavis and Taro. On November 21, 2013, Teva informed its customer that “[w]e are going to concede the business with Cardinal.”

410. The competitors continued consulting with each other over the coming months on Nortriptyline. On December 6, 2013, for example, Aprahamian called M.D. at Actavis and the two spoke for over thirteen (13) minutes. On December 10, 2013, a Taro colleague informed Aprahamian that a large customer, HEB, was with Actavis for all but

one of the Nortriptyline SKUs, and that HEB was interested in moving the business to Taro.

411. Having already cleared the move with Actavis during his December 6 call with M.D., Aprahamian put the wheels in motion the next day for Taro to make an offer to HEB.

412. Aprahamian also continued to coordinate with Teva. He called Patel on January 28, 2014, but she did not pick up. The dialogue continued on February 4, 2014 when Patel called Aprahamian back. The two talked for nearly twenty-four (24) minutes.

413. Two days later, on February 6, a potential customer solicited Taro to bid on its business. When a colleague informed Aprahamian of that fact and asked if he wanted to pursue the opportunity, Aprahamian responded firmly that Teva had already done enough to help Taro with its re-launch and thus only Actavis accounts should be pursued:

Date	Call Type	Target Name	Direction	Contact Name	Duration
3/4/2014	Voice	Falkin, Marc (Actavis)	Outgoing	Rekenthaler, David (Teva)	0:00:19
3/4/2014	Voice	Falkin, Marc (Actavis)	Incoming	Rekenthaler, David (Teva)	0:01:03
3/4/2014	Voice	Falkin, Marc (Actavis)	Outgoing	Rekenthaler, David (Teva)	0:11:56
3/5/2014	Voice	Falkin, Marc (Actavis)	Outgoing	Rekenthaler, David (Teva)	0:00:00
3/5/2014	Voice	Falkin, Marc (Actavis)	Incoming	Rekenthaler, David (Teva)	0:10:37
3/5/2014	Voice	Falkin, Marc (Actavis)	Outgoing	Rekenthaler, David (Teva)	0:00:02
3/6/2014	Voice	M.D. (Actavis)	Outgoing	Taro Pharmaceuticals	0:21:10
3/7/2014	Voice	Falkin, Marc (Actavis)	Incoming	Rekenthaler, David (Teva)	0:15:10
3/7/2014	Voice	Falkin, Marc (Actavis)	Outgoing	Rekenthaler, David (Teva)	0:09:42
3/10/2014	Voice	Patel, Nisha (Teva)	Outgoing	Aprahamian, Ara (Taro)	0:00:02
3/10/2014	Text	Patel, Nisha (Teva)	Outgoing	Aprahamian, Ara (Taro)	0:00:00
3/10/2014	Voice	Patel, Nisha (Teva)	Incoming	Aprahamian, Ara (Taro)	0:05:08

414. Over the first ten days of March, executives at Teva, Taro and Actavis called and texted each other frequently in their continuing efforts to work out the details of Taro's re-entry. These calls include at least those listed below:

Date	Call Type	Target Name	Direction	Contact Name	Duration
3/4/2014	Voice	Falkin, Marc (Actavis)	Outgoing	Rekenthaler, David (Teva)	0:00:19
3/4/2014	Voice	Falkin, Marc (Actavis)	Incoming	Rekenthaler, David (Teva)	0:01:03
3/4/2014	Voice	Falkin, Marc (Actavis)	Outgoing	Rekenthaler, David (Teva)	0:11:56
3/5/2014	Voice	Falkin, Marc (Actavis)	Outgoing	Rekenthaler, David (Teva)	0:00:00
3/5/2014	Voice	Falkin, Marc (Actavis)	Incoming	Rekenthaler, David (Teva)	0:10:37
3/5/2014	Voice	Falkin, Marc (Actavis)	Outgoing	Rekenthaler, David (Teva)	0:00:02
3/6/2014	Voice	M.D. (Actavis)	Outgoing	Taro Pharmaceuticals	0:21:10
3/7/2014	Voice	Falkin, Marc (Actavis)	Incoming	Rekenthaler, David (Teva)	0:15:10
3/7/2014	Voice	Falkin, Marc (Actavis)	Outgoing	Rekenthaler, David (Teva)	0:09:42
3/10/2014	Voice	Patel, Nisha (Teva)	Outgoing	Aprahamian, Ara (Taro)	0:00:02
3/10/2014	Text	Patel, Nisha (Teva)	Outgoing	Aprahamian, Ara (Taro)	0:00:00
3/10/2014	Voice	Patel, Nisha (Teva)	Incoming	Aprahamian, Ara (Taro)	0:05:08

415. At the end of this flurry of communications, Teva documented its internal game plan for Nortriptyline. Prior to this time - particularly in early 2014 - Nortriptyline had been listed by Teva as a potential candidate for a price increase. On March 10, 2014, however, as Patel was revising that list of price increase candidates (and the same day she spoke to Aprahamian for more than five (5) minutes), she removed Nortriptyline from contention in order to accommodate Taro's entry. The spreadsheet that she sent to a colleague on that date expressly took into account the negotiations over Taro's entry that had occurred over the past few weeks. With respect to a possible Nortriptyline price increase, it stated: "Delay – Taro (new) seeking share." As discussed more fully below, Teva subsequently raised the price of Nortriptyline on January 28, 2015 – in coordination with both Taro and Actavis.

iii. Teva/Zydus

416. Green left Teva in November 2013 and moved to Zydus where he took a position as an Associate Vice President of National Accounts. Once at Zydus, Green

capitalized on the relationships he had forged with his former Teva colleagues to collude with Teva (and other competitors) on several Teva/Zydus overlap drugs.

417. In the spring/early summer of 2014 in particular, Zydus was entering four different product markets that overlapped with Teva. During that time period, Green was in frequent contact with Patel and Rekenthaler, and others, to discuss pricing and the allocation of customers to his new employer, Zydus. Indeed, given the close timing of entry on these four products, Green, Patel, and Rekenthaler were often discussing multiple products at any given time.

iv. Fenofibrate

418. Fenofibrate, also known by brand names such as Tricor, is a medication used to treat cholesterol conditions by lowering “bad” cholesterol and fats (such as LDL and triglycerides) and raising “good” cholesterol (HDL) in the blood.

419. As discussed in detail in Section IV.C.1.a.i above, Defendant Teva colluded with Defendants Mylan and Lupin to allocate the Fenofibrate market upon Mylan’s entry in May 2013. To effectuate that agreement, Green was in frequent contact with Nesta of Mylan and Berthold of Lupin.

420. In February 2014, Zydus was preparing to launch into the Fenofibrate market. Green, now at Zydus, colluded with Patel, Rekenthaler, Nesta, and Berthold to share pricing information and allocate market share to his new employer, Zydus.

421. On February 21, 2014, Teva’s Patel sent a calendar invite to Rekenthaler and to her supervisor, K.G., Senior Director, Marketing Operations, for a meeting to discuss “Post Launch Strategy (Multiple Products)” on February 24, 2014. One

discussion item was Zydus's anticipated entry into the Fenofibrate market. Notably, Defendant Zydus did not enter the Fenofibrate market until a few weeks later on March 7, 2014.

422. In the days leading up to the meeting, between February 19 and February 24, Patel and Green spoke by phone at least 17 times – including two calls on February 20 lasting twenty-seven (27) minutes and nearly nine (9) minutes, respectively; one call on February 21 lasting twenty-five (25) minutes; and a call on February 24 lasting nearly eight (8) minutes.

423. On or about March 7, 2014, Defendant Zydus entered the Fenofibrate market at WAC pricing that matched Defendants Teva, Mylan, and Lupin. In the days leading up to the launch, Defendants from all four competitors were in regular contact with each other to discuss pricing and allocating market share to Zydus. Indeed, between March 3 and March 7, these competitors exchanged at least 26 calls with each other.

These calls are detailed in the table below:

Date	Call Typ	Target Name	Direction	Contact Name	Duration
3/3/2014	Voice	Rekenthaler, David (Teva)	Outgoing	Green, Kevin (Zydus)	0:20:00
3/3/2014	Voice	Rekenthaler, David (Teva)	Incoming	Nesta, Jim (Mylan)	0:14:00
3/3/2014	Voice	Nesta, Jim (Mylan)	Incoming	Green, Kevin (Zydus)	0:00:03
3/3/2014	Voice	Nesta, Jim (Mylan)	Incoming	Green, Kevin (Zydus)	0:00:05
3/3/2014	Voice	Patel, Nisha (Teva)	Outgoing	Green, Kevin (Zydus)	0:00:04
3/3/2014	Voice	Patel, Nisha (Teva)	Outgoing	Green, Kevin (Zydus)	0:19:43
3/3/2014	Voice	Patel, Nisha (Teva)	Outgoing	Green, Kevin (Zydus)	0:00:04
3/3/2014	Voice	Patel, Nisha (Teva)	Incoming	Green, Kevin (Zydus)	0:00:00
3/3/2014	Voice	Nesta, Jim (Mylan)	Outgoing	Green, Kevin (Zydus)	0:00:04
3/3/2014	Voice	Nesta, Jim (Mylan)	Incoming	Green, Kevin (Zydus)	0:00:03
3/3/2014	Voice	Nesta, Jim (Mylan)	Incoming	Green, Kevin (Zydus)	0:00:05
3/3/2014	Voice	Nesta, Jim (Mylan)	Outgoing	Green, Kevin (Zydus)	0:00:04
3/3/2014	Voice	Nesta, Jim (Mylan)	Outgoing	Rekenthaler, David (Teva)	0:13:30
3/3/2014	Voice	Nesta, Jim (Mylan)	Incoming	Green, Kevin (Zydus)	0:00:07
3/4/2014	Voice	Patel, Nisha (Teva)	Outgoing	Green, Kevin (Zydus)	0:00:04
3/4/2014	Voice	Berthold, David (Lupin)	Incoming	Green, Kevin (Zydus)	0:00:00
3/4/2014	Voice	Berthold, David (Lupin)	Incoming	Green, Kevin (Zydus)	0:00:04
3/4/2014	Voice	Berthold, David (Lupin)	Outgoing	Green, Kevin (Zydus)	0:13:26
3/5/2014	Voice	Nesta, Jim (Mylan)	Outgoing	Green, Kevin (Zydus)	0:08:15
3/6/2014	Voice	Green, Kevin (Zydus)	Outgoing	M.A. (Mylan)	0:01:00
3/6/2014	Voice	Green, Kevin (Zydus)	Outgoing	M.A. (Mylan)	0:01:00
3/6/2014	Voice	Green, Kevin (Zydus)	Outgoing	M.A. (Mylan)	0:03:00
3/6/2014	Voice	Green, Kevin (Zydus)	Incoming	M.A. (Mylan)	0:17:00
3/6/2014	Voice	Patel, Nisha (Teva)	Outgoing	Berthold, David (Lupin)	0:07:20
3/6/2014	Voice	Green, Kevin (Zydus)	Outgoing	M.A. (Mylan)	0:01:00
3/6/2014	Voice	Green, Kevin (Zydus)	Incoming	M.A. (Mylan)	0:12:00

424. During the morning of March 17, 2014, Patel and Green had two more phone calls, lasting nearly six (6) minutes and just over five (5) minutes. During those calls they were discussing how to divvy up the market for several products where Zydus was entering the market. A half an hour after the second call, Patel e-mailed her supervisor, K.G., identifying “LOE Targets to Keep” for several products on which Teva overlapped with Defendant Zydus - including Fenofibrate. With respect to Fenofibrate, Patel recommended “Defend all large customers.” Later that same day, Patel called Green again and they spoke for more than eleven (11) minutes.

425. In the months that followed, Teva “strategically conceded” several customers to Zydus in accordance with the agreement they had reached.

426. For example, on Friday March 21, 2014, J.P., a Director of National Accounts at Teva, sent an internal e-mail to certain Teva employees, including Patel and Rekenthaler, notifying them that Zydus had submitted an unsolicited bid to a Teva customer, OptiSource. Patel responded that Teva was “Challenged at Humana as well.”

427. That morning, Patel sent a calendar invite to Rekenthaler and to K.G. scheduling a meeting to discuss “Open Challenges-Retain/Concede Plan.” One item on the agenda was “Fenofibrate (Zydus at Opti and Humana-propose to concede).”

428. The following Monday – March 24, 2014 – Patel sent internal e-mails directing that Teva “concede” OptiSource and Humana to Zydus. Patel further stated that Teva provided a “courtesy reduction” to a third customer, NC Mutual, but stated that Teva should “concede if additional reduction is requested.” That same day, Patel called Green and they spoke for more than fourteen (14) minutes. She also spoke with Berthold of Lupin for nearly twelve (12) minutes.

429. In the meantime, Zydus bid at another Teva customer, Ahold. On March 25, 2014, Patel e-mailed Rekenthaler stating “Need to discuss. NC pending, and new request for Ahold. We may not be aligned.” Patel then sent an internal e-mail directing that Teva “concede” the Ahold business. Later that day, Patel called Green. He returned the call and they spoke for nearly eight (8) minutes. Patel also called Berthold of Lupin and they spoke for five (5) minutes.

430. On May 13, 2014, Zydus bid on Fenofibrate at Walgreens, which was also Teva's customer. The next day, on May 14, 2014, Patel forwarded the bid to her supervisor, K.G., and explained "if we concede, we will still be majority share, but only by a few share points. On the other hand, if Zydus is seeking share, they're challenging the right supplier, but the size of the customer is large. What are you[r] thoughts on asking them to divide the volume 25% Zydus and 75% Teva? This way, we've matched, retained majority and will hopefully have satisfied Zydus, and minimize them going elsewhere."

431. K.G. agreed with the approach and on May 15, 2014, Patel sent an internal e-mail directing that Teva reduce its price to Walgreens, but explained that "we will retain 75% of the award. The remainder will go to Zydus. Hopefully, this will satisfy their share targets." Patel emphasized that we "need to be responsible so that Zydus doesn't keep challenging Teva in the market." Later that day, Green called Patel and they spoke for twenty (20) minutes.

432. On June 2, 2014, Green called Patel and they spoke for nearly six (6) minutes. He also called Rekenthaler, and they spoke for two (2) minutes. Two days later, on June 4, 2014, Zydus submitted an unsolicited bid for Fenofibrate at Anda, a Teva customer.

433. On June 10, 2014, T.S., Senior Analyst, Strategic Support at Teva e-mailed J.P., Director of National Accounts, stating "We are going to concede this business to Zydus per upper management." T.S. forwarded the e-mail to K.G., copying Patel and Rekenthaler, asking to "revisit the decision to concede ANDA" because "[w]e need to

send Zydus a message to cease going after all of our business.” Rekenthaler responded, “At Anda I would suggest you try to keep our product on their formulary in a secondary position and we’ll continue to get sales. . . . Zydus has little market share on Fenofibrate that I can tell and they’ll continue to chip away at us until they get what they are looking for.” A few hours later, J.P. responded that Anda would maintain Teva on secondary and award the primary position to Zydus. Anda was fully aware that Teva was conceding Anda’s business to Zydus because it was a new entrant.

434. The next day, on June 11, 2014, Green called Rekenthaler and they spoke for eight (8) minutes. Later that day, Patel called Green. He returned the call and they spoke for nearly fifteen (15) minutes.

v. Paricalcitol

435. Paricalcitol, also known by the brand name Zemiplar, is used to treat and prevent high levels of parathyroid hormone in patients with long-term kidney disease.

436. Defendant Teva entered the market on Paricalcitol on September 30, 2013. As the first generic to enter the market, it was entitled to 180 days of exclusivity.

437. In March 2014, with the end of the exclusivity period approaching, Teva began planning which customers it would need to concede. Teva had advance knowledge that Defendant Zydus and another generic manufacturer not named as a Defendant in this case planned to enter the market on day 181, which was March 29, 2014.

438. In the month leading up to the Zydus launch, Patel and Rekenthaler spoke with Green and discussed, among other things, which Paricalcitol customers Teva would retain and which customers it would allocate to the new market entrant.

439. On February 28, 2014, T.S., a Director of National Accounts at Teva, sent an internal e-mail to certain Teva employees, including Patel and Rekenthaler, advising that ABC was requesting bids on two Zydus overlap drugs – Paricalcitol and Niacin ER. After receiving that e-mail, Rekenthaler called Green. The call lasted less than one (1) minute (likely a voicemail). The next business day, on March 3, 2014, Rekenthaler called Green again and they spoke for twenty (20) minutes. Later that afternoon, Patel also called Green. The two exchanged four calls that day, including one that lasted nearly twenty (20) minutes. On March 4, Patel called Green again and left a voicemail.

440. On March 12, 2014, T.S. e-mailed Patel and Rekenthaler stating that Zydus had bid on Paricalcitol at ABC. That same day, Patel sent an internal e-mail asking for a loss of exclusivity report for Paricalcitol, listing out Teva’s customers and the percentage of Teva’s business they represented. This was typically done by Teva employees before calling a competitor to discuss how to divvy up customers in a market.

441. On March 13, 2014, Patel directed that Teva retain ABC and match the Zydus pricing. The next day, on March 14, 2014, Patel called Green. A few minutes later, Green returned the call and they spoke for nineteen (19) minutes. Rekenthaler then called Patel and they spoke for eleven (11) minutes.

442. During the morning of March 17, 2014, Patel and Green had two more phone calls, lasting nearly six (6) minutes and just over five (5) minutes. During those calls they were discussing how to divvy up the market for several products where Zydus was entering the market. A half an hour after the second call, Patel e-mailed her supervisor, K.G., identifying “LOE Targets to Keep” for several products on which Teva

overlapped with Defendant Zydus – including Paricalcitol. With respect to Paricalcitol, Patel recommended that Teva “Keep Walgreens, ABC, One Stop, WalMart, Rite Aid, Omnicare.” Later that same day, Patel called Green again and they spoke for more than eleven (11) minutes.

443. Over the next several weeks, Defendant Teva would “strategically” concede several customers to the new entrant Zydus.

444. For example, on March 27, 2014, Green called Patel. Patel returned the call and they spoke for nearly nine (9) minutes. The next day, on March 28, 2014, OptiSource, one of Teva’s GPO customers, notified J.P., a Director of National Accounts at Teva, that it had received a competing offer from Zydus for its Paricalcitol business. J.P. forwarded the OptiSource e-mail to Patel. Within minutes, Patel responded “[w]e should concede.”

445. That same day, Defendant Teva was notified by another customer, Publix, that Zydus had submitted a proposal for its Paricalcitol business. On April 1, 2014, Defendant Teva conceded the customer to Zydus and noted in Delphi that the reason for the concession was “Strategic New Market Entrant.”

446. Also on April 1, 2014, Defendant Zydus bid for the Paricalcitol business at NC Mutual, another Teva customer. That same day, Patel called Green and left a 22-second voicemail. The next day, on April 2, 2014, Patel tried Green twice more and they connected on the second call and spoke for nearly ten (10) minutes. Later that evening L.R., an Associate Manager, Customer Marketing at Teva, sent an internal e-mail to T.S., the Teva Director of National Accounts assigned to NC Mutual, copying Patel, asking:

“May we please have an extension for this request until tomorrow?” Patel responded, “I apologize for the delay! We should concede.”

447. On April 15, 2014, Walmart received a competitive bid for its Paricalcitol business and provided Teva with the opportunity to retain. Two days later, on April 17, 2014, K.G. responded that he thought it might be Zydus. Patel replied, “We have conceded a reasonable amount of business (as planned) to Zydus. I would be surprised if they were going after a customer this big after they’ve picked up business recently.” Later that day, Green called Patel. She returned his call and they spoke for nearly twelve (12) minutes. Later that day, after her discussion with Green, Patel sent an internal e-mail stating “After further review, I believe this is [a company not identified as a Defendant in this case].” On April 22, 2014, Patel sent an internal e-mail regarding Walmart directing, “Need to retain. Please send an offer. Thanks.”

vi. Niacin ER

448. Niacin Extended Release (“ER”), also known by the brand name Niaspan Extended Release, is a medication used to treat high cholesterol.

449. Defendant Teva entered the Niacin ER market on September 20, 2013 as the first- to-file generic manufacturer and was awarded 180 days of exclusivity. Teva’s exclusivity was set to expire on March 20, 2014.

450. Teva had advance knowledge that Defendant Lupin planned to enter on March 20, 2014 and that Lupin would have 100 days or until June 28, 2014 before a third generic manufacturer would be allowed to enter. Teva also knew that Defendant Zydus planned to enter on June 28, 2014.

451. Armed with that knowledge, Teva increased price on Niacin ER on March 7, 2014 in advance of the competitors' entry. In the days leading up to the price increase, all three competitors exchanged several calls during which they discussed, among other things, the price increase on Niacin ER and the allocation of customers to the new entrants, Zydus and Lupin. The communications between Green and Patel and Rekenthaler of Teva, and Berthold of Lupin are detailed in the chart below. (The calls between Defendants Teva and Lupin are discussed more fully below in Section IV.C.2.k.)

Date	Call Typ	Target Name	Direction	Contact Name	Duration
3/3/2014	Voice	Rekenthaler, David (Teva)	Outgoing	Green, Kevin (Zydus)	0:20:00
3/3/2014	Voice	Patel, Nisha (Teva)	Outgoing	Green, Kevin (Zydus)	0:00:04
3/3/2014	Voice	Patel, Nisha (Teva)	Outgoing	Green, Kevin (Zydus)	0:19:43
3/3/2014	Voice	Patel, Nisha (Teva)	Outgoing	Green, Kevin (Zydus)	0:00:04
3/3/2014	Voice	Patel, Nisha (Teva)	Incoming	Green, Kevin (Zydus)	0:00:00
3/4/2014	Voice	Patel, Nisha (Teva)	Outgoing	Green, Kevin (Zydus)	0:00:04
3/4/2014	Voice	Berthold, David (Lupin)	Incoming	Green, Kevin (Zydus)	0:00:00
3/4/2014	Voice	Berthold, David (Lupin)	Incoming	Green, Kevin (Zydus)	0:00:04
3/4/2014	Voice	Berthold, David (Lupin)	Outgoing	Green, Kevin (Zydus)	0:13:26

452. Similarly, in the days leading up to the Lupin launch on March 20, 2014, all three competitors spoke again to discuss their plans for Niacin ER. The communications between Green and Rekenthaler and Patel of Teva, and Berthold of Lupin, are detailed in the chart below. (The calls between Defendants Teva and Lupin, and additional detail regarding Teva's concession of customers to Lupin, are discussed more fully below in Section IV.C.2.k.)

on

Date	Call Type	Target Name	Direction	Contact Name	Duration
3/17/2014	Voice	Green, Kevin (Zydus)	Outgoing	Rekenthaler, David (Teva)	0:01:00
3/17/2014	Voice	Green, Kevin (Zydus)	Outgoing	Rekenthaler, David (Teva)	0:03:00
3/17/2014	Voice	Patel, Nisha (Teva)	Incoming	Green, Kevin (Zydus)	0:05:53
3/17/2014	Voice	Patel, Nisha (Teva)	Outgoing	Green, Kevin (Zydus)	0:05:04
3/17/2014	Voice	Berthold, David (Lupin)	Incoming	Green, Kevin (Zydus)	0:06:16
3/17/2014	Voice	Patel, Nisha (Teva)	Outgoing	Green, Kevin (Zydus)	0:11:13
3/18/2014	Voice	Patel, Nisha (Teva)	Outgoing	Green, Kevin (Zydus)	0:06:26
3/18/2014	Voice	Patel, Nisha (Teva)	Outgoing	Green, Kevin (Zydus)	0:04:12
3/18/2014	Voice	Berthold, David (Lupin)	Incoming	Green, Kevin (Zydus)	0:07:00
3/18/2014	Voice	Berthold, David (Lupin)	Incoming	Green, Kevin (Zydus)	0:12:39
3/20/2014	Voice	Green, Kevin (Zydus)	Outgoing	Berthold, David (Lupin)	0:01:00
3/20/2014	Voice	Green, Kevin (Zydus)	Incoming	Berthold, David (Lupin)	0:26:00

453. In May 2014, Zydus began readying to enter the Niacin ER market. On May 5, 2014, Zydus bid on the Niacin ER business at ABC - a Teva customer. The next day, on May 6, 2014, Green called Rekenthaler and they spoke for three (3) minutes. Less than an hour later, Green called Patel and they spoke for eight (8) minutes. A few minutes later, Green called Patel again and left a twelve-second voicemail. Later that evening, Patel e-mailed K.G. reporting what Teva had learned on those calls: K.G. responded that Patel should schedule an internal meeting to discuss their strategy for Niacin ER, and include Rekenthaler.

454. Over the next several days, Patel and Rekenthaler exchanged several calls with Green. Green also exchanged several calls with Berthold of Lupin. These calls are listed below.

-----Original Message-----

From: Nisha Patel02

Sent: Tuesday, May 06, 2014 4:26 PM

To: [REDACTED]

Subject: RE: LIFO-niacin er

Importance: High

I have the share info and LOE tracker ready...I was getting mixed messages on the plan of action, so I did not send out or set up a meeting to discuss. Here's what I have picked up:

- Zydus responded in accordance with ABC's bid request. Offer is in writing.
- Zydus shipping either 6/18 or 6/28
- Zydus is the AG
- We are considering retaining ABC. My thought is that we need to concede due to the amount of erosion, but...
- Christine has indicated that we have direction to retain any and all share at any cost
 - This may be unrealistic
 - Several competitors entering
 - Should we agree that we will need to concede share, and determine retention/concession targets, I think we should consider conceding ABC -I have asked Liz to calculate the financials, including WAG and CVS exposure -LIFO buy in play
 - ABC needs commitment on a price, even though not yet valid.
 - LIFO is significant impact that is visible at ALL levels within ABC
 - There were talks of Teva providing a response with caveats (that ABC is open to), that I would like to review/suggest, since I am familiar with the triggers as well as LIFO

455. Ultimately, the competitors agreed that Teva would retain ABC and concede McKesson, another large wholesaler, to Zydus.

456. On May 29, 2014, C.D., an Associate Director of National Accounts at Teva, sent an internal e-mail to certain Teva employees, including Patel and Rekenthaler, stating: "A customer is reporting that Zydus is soliciting usage for Niacin with an anticipated launch of June 24." After receiving the e-mail, Rekenthaler called Green. The call lasted two (2) minutes. Green returned the call a few minutes later and they spoke for twenty-eight (28) minutes. Later that day, Patel called Green and they spoke for nearly twenty-one (21) minutes.

457. On June 2, 2014, J.P., a Director of National Accounts at Teva, sent an internal e-mail stating "I received a ROFR from McKesson due to Zydus entering the market. They apparently did not secure ABC. They are launching 6/28, but are sending

offers early due to Sun entering as well.” Patel replied, “Please be sure to consult with [K.G.] on this one. Thanks.” Later that morning, Green called Rekenthaler. The call lasted two (2) minutes. Green then called Patel and they spoke for nearly six (6) minutes.

458. On June 5, 2014, J.P. sent an internal e-mail regarding “McKesson Niacin” stating “Per Dave [Rekenthaler], Maureen [Cavanaugh] has agreed to concede this item.” J.P. also entered the loss in Teva’s internal database – Delphi – and noted that the reason for the concession was “Strategic New Market Entrant.”

459. On June 28, 2014, Zydus formally launched Niacin ER and published WAC pricing that matched the per-unit cost for both Teva and Lupin.

vii. Etodolac Extended Release

460. Etodolac Extended Release (“Etodolac ER”) is a nonsteroidal anti-inflammatory drug that is used to treat symptoms of juvenile arthritis, rheumatoid arthritis, and osteoarthritis.

461. Prior to Zydus’ entry into the Etodolac ER market, Defendant Teva and Defendant Taro were the only generic suppliers of the product. As described in detail in Section IV.C.2.i.(iii) below, Defendants Teva and Taro -through Patel and Aprahamian- colluded to significantly raise the price of Etodolac ER in August 2013.

462. On May 12, 2014, Defendant Zydus entered the Etodolac ER market at WAC pricing that matched Teva and Taro’s artificially high pricing. Not surprisingly, in the days leading up to the Zydus launch, Patel was relaying communications back and forth between Green and Aprahamian. During these calls, the competitors discussed, among other things, the allocation of market share to the new entrant, Zydus.

Date	Call Type	Target Name	Direction	Contact Name	Duration
5/6/2014	Voice	Patel, Nisha (Teva)	Incoming	Green, Kevin (Zydus)	0:08:00
5/6/2014	Voice	Patel, Nisha (Teva)	Incoming	Green, Kevin (Zydus)	0:00:12
5/7/2014	Voice	Patel, Nisha (Teva)	Incoming	Green, Kevin (Zydus)	0:05:36
5/7/2014	Voice	Patel, Nisha (Teva)	Incoming	Green, Kevin (Zydus)	0:00:00
5/7/2014	Voice	Patel, Nisha (Teva)	Incoming	Green, Kevin (Zydus)	0:00:03
5/7/2014	Voice	Patel, Nisha (Teva)	Outgoing	Green, Kevin (Zydus)	0:09:21
5/8/2014	Voice	Aprahamian, Ara (Taro)	Outgoing	Patel, Nisha (Teva)	0:01:00
5/8/2014	Text	Patel, Nisha (Teva)	Outgoing	Aprahamian, Ara (Taro)	0:00:00
5/8/2014	Text	Patel, Nisha (Teva)	Incoming	Aprahamian, Ara (Taro)	0:00:00
5/8/2014	Text	Patel, Nisha (Teva)	Outgoing	Aprahamian, Ara (Taro)	0:00:00
5/8/2014	Text	Patel, Nisha (Teva)	Incoming	Aprahamian, Ara (Taro)	0:00:00
5/8/2014	Voice	Patel, Nisha (Teva)	Incoming	Aprahamian, Ara (Taro)	0:00:00
5/8/2014	Text	Patel, Nisha (Teva)	Incoming	Aprahamian, Ara (Taro)	0:00:00
5/8/2014	Text	Patel, Nisha (Teva)	Incoming	Aprahamian, Ara (Taro)	0:00:00
5/8/2014	Voice	Patel, Nisha (Teva)	Outgoing	Aprahamian, Ara (Taro)	0:16:45
5/8/2014	Voice	Patel, Nisha (Teva)	Outgoing	Green, Kevin (Zydus)	0:37:49
5/11/2014	Voice	Green, Kevin (Zydus)	Outgoing	Patel, Nisha (Teva)	0:01:00
5/11/2014	Voice	Green, Kevin (Zydus)	Incoming	Patel, Nisha (Teva)	0:13:00
5/11/2014	Voice	Green, Kevin (Zydus)	Outgoing	Patel, Nisha (Teva)	0:07:00

463. On May 14, 2014, Anda- a wholesaler customer of Teva- notified Teva that Zydus had submitted a bid for its Etodolac ER business. That same day, Patel exchanged eight (8) text messages and had a four (4) minute call with Aprahamian. The next day, on May 15, 2014, Green called Patel and they spoke for twenty (20) minutes.

464. On May 20, 2014, Green called Patel and they spoke for four (4) minutes. That same day, K.R., a senior sales executive at Zydus, also exchanged two (2) text messages and had a 39-second call with Defendant Maureen Cavanaugh of Teva. The next day – May 21, 2014 – Green called Patel again and they spoke for twenty- eight (28) minutes. That same day, K.R. of Zydus and Cavanaugh of Teva exchanged four (4) text messages.

465. The next day, on May 22, 2014, T.S., Senior Analyst, Strategic Support at Teva, sent an internal e-mail to certain Teva employees, including Patel, stating: “I have proposed we concede Anda as they are a small percent of market share and we will have to give up some share with a new market entrant. Anda is looking for a response today.” Patel responded: “agree with concede.”

466. Similarly, on June 27, 2014, Econdisc, a Teva GPO customer, notified Teva that it had received a competitive offer for its Etodolac ER business. Later that day, Patel spoke with Aprahamian at Taro for fourteen (14) minutes.

467. On July 2, 2014, Patel called Green and left a four-second voicemail. The next day, on July 3, 2014, Patel sent an internal e-mail advising that “We will concede.” Later that day, Teva told Econdisc that it was unable to lower its pricing to retain the business.

468. When Patel’s supervisor, K.G., learned that Teva had lost the Econdisc business, he sent an internal e-mail asking “Did we choose not to match this?” Patel responded, “Yes. New market entrant – Zyklus.” K.G. replied, “Okay good. Thank you.”

h. Teva/Glenmark

i. Moexipril Hydrochloride Tablets

469. Moexipril Hydrochloride (“Moexipril”), also known by the brand name Univasc, is part of a class of drugs called angiotensin-converting enzyme (ACE) inhibitors. It is used to treat high blood pressure by reducing the tightening of blood vessels, allowing blood to flow more readily and the heart to pump more efficiently.

Glenmark entered the market for the 7.5mg and 15mg tablets of Moexipril on December 31, 2010.

470. As discussed more fully below in Section IV.C.2.f.i., Glenmark and Teva coordinated with each other to raise pricing on two different formulations of Moexipril between May and July, 2013. When Patel colluded with CW-5, a senior-most executive at Glenmark, to raise prices on Moexipril, one of the fundamental tenets of that agreement was that they would not try to poach each other's customers after the increase and the competitors would each maintain their "fair share."

471. On August 5, 2013, Teva learned that it had been underbid by Glenmark at one of its largest wholesaler customers, ABC. Upon hearing this news, Rekenthaler, the Vice President of Sales at Teva, forwarded an e-mail discussing the Glenmark challenge to Patel, expressing his confusion over why Glenmark would be challenging Teva's business:

From: Dave Rekenthaler
Sent: Monday, August 05, 2013 7:05 PM
To: Nisha Patel02
Subject: Fwd: ABC - Loss business on Moexipril

???

Sent from my iPhone

Rekenthaler forwarded the e-mail only to Patel because he was aware that she had been the person at Teva who had been colluding with Glenmark.

472. Five (5) minutes after receiving the e-mail from Rekenthaler, Patel responded:

From: Nisha Patel02
Sent: Mon 8/05/2013 7:10 PM (GMT-05:00)
To: Dave Rekenthaler
Cc:
Bcc:
Subject: RE: ABC - Loss business on Moexipril

I know...made the call already

The call that Patel had made earlier that day was to Defendant CW-5, a senior executive at Glenmark, to find out why Glenmark sought to underbid Teva at ABC.

473. Patel spoke to CW-5 three times that day. The following day – August 6, 2013 – Jim Brown, the Vice President of Sales at Glenmark, called Patel at 9:45am but did not reach her. Patel returned Brown’s call at 10:08am and the two spoke for approximately thirteen (13) minutes. Later that day, at 1:11pm, the two spoke again for approximately fifteen (15) minutes. During these calls, Patel reminded Brown and CW-5 of their prior agreement not to poach each other’s customers after a price increase.

474. As a result of these communications, Glenmark decided to withdraw its offer to ABC and honor the agreement it had reached with Teva not to compete on Moexipril. Later that same day – August 6, 2013 – T.S. of Teva informed colleagues that “[t]oday is a new day and today.... ABC has now informed me that they will NOT be moving the Moexipril business to Glenmark.”

ii. *Desogestrel/Ethinyl Estradiol Tablets (Kariva)*

475. Desogestrel/Ethinyl Estradiol (“Kariva”) is a combination pill containing two hormones: progestin and estrogen. This medication is an oral contraceptive.

Defendant Glenmark markets this drug under the name Violele, while Defendant Teva markets the drug under the name Kariva. These drugs are also known by the brand name, Mircette. Glenmark entered the market for Kariva 0.15mg/0.02mg tablets on April 4, 2012.

476. During the morning of May 19, 2014, Patel learned that Glenmark had bid a low price for its own version of Kariva - Violele - at Publix, a retail pharmacy purchaser. S.B., an analyst at Teva, e-mailed Patel a list of suggested re-bid prices to send to Publix for various drugs, including Kariva. The chart included a suggested re-bid price for Kariva of \$76.14 - which was \$52.64 higher than the \$23.50 price that Glenmark had offered Publix.

477. This sparked a flurry of communications that same day between Patel and three different Glenmark representatives - Defendants Brown and Grauso, and J.C., a sales and marketing executive at Glenmark - as set forth below:

Date	Call Type	Target Name	Direction	Contact Name	Time	Duration
5/19/2014	Voice	Patel, Nisha (Teva)	Outgoing	Grauso, Jim (Glenmark)	11:46:15	0:00:00
5/19/2014	Voice	Patel, Nisha (Teva)	Outgoing	J.C. (Glenmark)	11:47:03	0:24:09
5/19/2014	Voice	Patel, Nisha (Teva)	Incoming	Brown, Jim (Glenmark)	12:21:00	0:12:53
5/19/2014	Voice	Patel, Nisha (Teva)	Incoming	Brown, Jim (Glenmark)	13:37:08	0:00:00
5/19/2014	Voice	Patel, Nisha (Teva)	Incoming	Brown, Jim (Glenmark)	13:37:31	0:00:26
5/19/2014	Voice	Patel, Nisha (Teva)	Outgoing	Brown, Jim (Glenmark)	13:50:15	0:06:51

478. After this flurry of communications between the two competitors, Patel decided that Teva would offer Publix a re-bid price with a nominal 10% reduction off the

originally proposed re-bid price of \$76.14 - virtually guaranteeing that the business would be awarded to Glenmark.

iii. Gabapentin Tablets

479. Gabapentin, also known by the brand name Neurontin, is part of a class of drugs called anticonvulsants. The medication is used to treat epilepsy and neuropathic pain. Glenmark entered the market for Gabapentin 800mg and 600mg tablets on April 1, 2006.

480. On October 13 and 14, 2014, Patel attended the Annual Meeting of the Pharmaceutical Care Management Association (“PCMA”) in Rancho Palos Verdes, California, along with a number of Teva’s competitors. The PCMA described its Annual Meeting as “the . . . ideal venue for senior executives from PBMs, specialty pharmacy, payer organizations and pharmaceutical manufacturers to network, conduct business and learn about the most current strategic issues impacting the industry.”

481. Shortly after returning from that meeting, during the morning of October 15, 2014, Patel informed colleagues at Teva that Glenmark would be taking a price increase on Gabapentin, and suggested that this would be a great opportunity to pick up some market share. The Glenmark increase had not yet been made public, and would not be effective until November 13, 2014. Nonetheless, Patel informed her colleagues in an e-mail that same day that there would be a WAC increase by Glenmark effective November 13, and that she had already been able to obtain certain contract price points that Glenmark would be charging to distributors. At around the time she sent the e-mail, Patel exchanged two (2) text messages with Brown of Glenmark.

482. Having relatively little market share for Gabapentin, Teva discussed whether it should use the Glenmark price increase as an opportunity to pick up some market share. Over the next several weeks, Teva did pick up “a bit of share” to be more in line with fair share principles, but cautioned internally that it did not “want to disrupt Glenmark’s business too much.”

i. Teva/Lannett

i. Baclofen

483. Baclofen, also known by the brand names Gablofen and Lioresal, is a muscle relaxant used to treat muscle spasms caused by certain conditions such as multiple sclerosis and spinal cord injury or disease. It is generally regarded as the first choice of physicians for the treatment of muscle spasms in patients with multiple sclerosis.

484. In June 2014, Defendant Lannett was preparing to re-enter the market for Baclofen, but was faced with limited supply. In an internal e-mail sent to his sales staff, K.S., a senior sales executive at Lannett, stated: “Baclofen launch in four weeks, need market intelligence. We can only take a 10% market share.” At that time, Teva had a large market share in relation to the existing competitors in the market.

485. Sullivan, a Director of National Accounts at Lannett and a recipient of the e-mail, promptly communicated with Patel (Teva was a competitor for Baclofen) using Facebook Messenger. On June 12, 2014, Sullivan messaged Patel, stating:



The message was sent at 11:16am. At 11:30am, Patel called Sullivan and they spoke for seven (7) minutes. This was the first phone conversation between Sullivan and Patel since Patel had joined Teva in April 2013. During the conversation, Sullivan informed Patel that Lannett would be entering the market for Baclofen shortly. In a follow-up message through Facebook Messenger later that afternoon, Sullivan confirmed:



486. True to her word, Sullivan called Patel on July 1, 2014 and left a voicemail. Patel promptly returned the call, and the two spoke for almost seven (7) minutes.

487. On July 11, 2014, as Teva was evaluating future forecasting and whether to try and take on additional Baclofen business with a large wholesaler, Patel stated to a Teva colleague: “[n]ot sure if it helps your review, but there is another entrant coming to market (Lannett). I’m not sure about their share targets, but I know it’s probably soon.” That same day, Patel sent a text message to Sullivan asking “Around?” Sullivan

immediately called Patel and left a voicemail. Patel called Sullivan back promptly, and they spoke for more than three (3) minutes. After speaking, Patel sent another text message to Sullivan, stating: “Thank you!!” Sullivan responded: “No prob!”

488. Shortly thereafter, on July 22, 2014, Teva was approached by a customer stating “[w]e were contacted by another mfg that is going to be launching Baclofen in the coming weeks.” The customer asked whether Teva wanted to exercise its right of first refusal (i.e., offer a lower price to maintain the account). Even though the new manufacturer’s price was only slightly below Teva’s price, Teva declined to bid. Patel specifically agreed with the decision to concede, stating “I believe this is Lannett.” Teva’s internal tracking database noted that the customer had been conceded to a “Strategic New Market Entrant.”

489. Teva had significantly increased its price for Baclofen in April 2014 (following an Upsher-Smith price increase), and was able to maintain those prices even after Lannett entered the market a few months later. In fact, when Lannett entered the market it came in at the exact same WAC price as Teva.

j. Teva/Amneal

i. Norethindrone Acetate

490. Norethindrone Acetate, also known by the brand name Primolut-Nor among others, is a female hormone used to treat endometriosis, uterine bleeding caused by abnormal hormone levels, and secondary amenorrhea.

491. On September 9, 2014, a customer approached Teva asking if Teva would lower its pricing on certain drugs, including Norethindrone Acetate. One of Teva’s

competitors for Norethindrone Acetate was Defendant Amneal. The same day, Patel received phone calls from two different Amneal employees – S.R.(2), a senior sales executive (call lasting more than three (3) minutes), and S.R.(1), a senior sales and finance executive (almost twenty-five (25) minutes). These were the first calls Patel had with either S.R.(1) or S.R.(2) since she joined Teva in April 2013. That same day, S.R.(1) also spoke several times with Jim Brown, Vice President of Sales at Glenmark – the only other competitor in the market for Norethindrone Acetate.

492. After speaking with the two Amneal executives, Teva refused to significantly reduce its price to the customer; instead providing only a nominal reduction so as not to disrupt the market. At that time, market share was almost evenly split between the three competitors. When discussing it later, Patel acknowledged internally that Teva had “bid high” at the customer based on its understanding “that it would be an increase candidate for Amneal. They increased shortly after.” By bidding high and not taking the business from Amneal, in anticipation of a future price increase, Teva reinforced the fair share understanding among the competitors in the market.

k. Teva/Dr. Reddy’s

i. Oxaprozin

493. Oxaprozin, also known by the brand name Daypro, is a non-steroidal anti-inflammatory drug (NSAID) indicated for the treatment of signs and symptoms of osteoarthritis and rheumatoid arthritis.

494. In early 2013, Dr. Reddy’s began having internal discussions about re-launching Oxaprozin in June of that year. In March 2013 – when Teva was still the sole

generic in the market – the plan was to target one large chain and one large wholesaler in order to obtain at least 30% market share. Two months later, in May 2013, Dr. Reddy’s adjusted its market share expectations down to 20% after Greenstone and Sandoz both re-launched Oxaprozin.

495. On June 13, 2013, members of the Dr. Reddy’s sales force met for an “Oxaprozin Launch Targets Discussion” to “discuss launch targets based on the market intelligence gained by the sales team.”

496. Dr. Reddy’s re-launched Oxaprozin on June 27, 2013 with the same WAC price as Teva. At the time, Teva had 60% market share. Dr. Reddy’s almost immediately got the Oxaprozin business at two customers, Keysource and Premier. Dr. Reddy’s also challenged for Teva’s business at McKesson, but Teva reduced its price to retain that significant customer.

497. Eager to obtain a large customer, Dr. Reddy’s turned its sights to Walgreens. At a July 1, 2013 sales and marketing meeting, there was an internal discussion among Dr. Reddy’s employees about “asking to see if Teva would walk away from the business” at Walgreens. Within a week, Dr. Reddy’s employees had learned that Teva would defend the Walgreens business and recognized that they would have to “bid aggressively” to obtain that customer.

498. Dr. Reddy’s did bid aggressively at Walgreens. On or around July 14, 2013, Walgreens informed Green, then a National Account Director at Teva, that Dr. Reddy’s had made an unsolicited bid for the Oxaprozin business, at a price of roughly half of

Teva's current price. Per Green, Walgreens did not "want to move but obviously want[s] the price."

499. While the Dr. Reddy's offer to Walgreens was still pending – on July 23, 2013 – J.A. of Dr. Reddy's called Green. That phone call – the only one ever between the two individuals that is identified in the phone records – lasted for nearly five (5) minutes.

500. Two days later, Green noted that "[i]f we give D[r. Reddy's] this business, they may be satisfied. I will see if I can find this out." Green also warned, however, that if Teva decided to defend and keep Walgreens' business, Dr. Reddy's will "just go elsewhere" – meaning Dr. Reddy's would continue to offer unsolicited bids to Teva customers and drive prices down.

501. While deciding whether to match the Dr. Reddy's offer at Walgreens or concede the business to Dr. Reddy's, Teva engaged in internal discussions about strategy. On July 29, 2013, K.G. at Teva suggested the possibility of keeping the Walgreens business, but conceding Teva's next largest customer for Oxaprozin – Econdisc – to Dr. Reddy's. Eager to avoid any further price erosion from the Dr. Reddy's entry, Rekenthaler immediately asked Patel to "look at our business on Oxaprozin in order to accommodate Dr. Reddy's entry." Rekenthaler's goal was to identify customers other than Walgreens that Teva could concede to Dr. Reddy's in order to satisfy its market share goals.

502. At 12:33pm that day, Patel asked a colleague to "run the customer volume and profitability analysis for Oxaprozin." It was typical at Teva to run this type of report before negotiating market share with a competitor. At 2:20pm, that colleague provided

the information to Patel, copying Rekenthaler and K.G. With this information in hand, less than an hour later Rekenthaler placed a call to T.W., a Senior Director of National Accounts at Dr. Reddy's. The call lasted two (2) minutes, and was their only telephone conversation in 2013.

503. After having this conversation with T.W., Teva decided to maintain the Walgreens business, but concede the Econdisc business to Dr. Reddy's. Teva conceded the Econdisc business on August 7, 2013. Green listed "Strategic Market Conditions" in Teva's Delphi database as the reason for conceding the business to Dr. Reddy's.

504. By September 10, 2013, Dr. Reddy's had achieved its goal of obtaining 20% share of the Oxaprozin market. At that time, its customers included Econdisc, Keysource, and Premier.

ii. Paricalcitol

505. Paricalcitol, also known by the brand name Zemplar, is used to treat and prevent high levels of parathyroid hormone in patients with long-term kidney disease.

506. Teva entered the market for Paricalcitol on September 30, 2013 as the first-to-file generic, and had 180 days of generic exclusivity.

507. Following its period of exclusivity, Teva's "goal was to concede business on day 181" but "to retain CVS, Walgreens and ABC. All others are not an automatic concede, but we expect to concede." As discussed more fully above in Section IV.C.1.h.ii, during March and April 2014, Teva coordinated with and conceded several customers to Zydus, as Zydus was entering the market for Paricalcitol. By mid-April 2014, Teva "ha[d] conceded the share [it] planned for" to Zydus.

508. By May 2014, Dr. Reddy's started preparing to enter the Paricalcitol market. On May 1, 2014, T.W. of Dr. Reddy's spoke with Rekenthaler of Teva for nearly eleven (11) minutes.

509. At a May 20 sales and marketing team meeting, the Dr. Reddy's sales force was instructed to find out which customers were currently purchasing Paricalcitol from which manufacturers, and their prices. Dr. Reddy's was targeting a 20% market share. At the time, Teva's share was 73%.

510. On June 10, 2014 – as Dr. Reddy's was starting to approach certain customers – including a large retail pharmacy customer (“The Pharmacy”) – Patel spoke with V.B., the Vice President of Sales for North American Generics at Dr. Reddy's, several times. At 8:50am, Patel called V.B. and left a voicemail. V.B. returned the call at 9:18am, and the two spoke for more than ten (10) minutes. Later that day, at 2:46pm, Dr. Reddy's provided The Pharmacy with a market share report for Paricalcitol indicating that Teva was the market leader at 60% share. A representative of The Pharmacy responded that it “[l]ooks like Teva is the right target.” Shortly after this e-mail exchange, at 3:21pm, V.B. called Patel again and the two spoke for nearly nine (9) minutes.

511. By June 19, 2014, Dr. Reddy's had made offers to Omnicare, Cardinal, ABC, and The Pharmacy. The internal plan was that if The Pharmacy declined, then Dr. Reddy's would make an offer to CVS. That same day, Teva agreed to concede its Paricalcitol business at Omnicare, dropping its market share by 3%.

512. Teva also strategically conceded what remained of its Cardinal business (it had previously conceded some of that business to Zydus). After receiving Dr. Reddy's

bid, Cardinal approached Teva and asked whether Teva would bid to retain the four mcg portion of the business. Patel recommended to her boss, K.G., that Teva concede the business: “We have ~70 share and it is ideal to concede here because of the incomplete family.” K.G. agreed. Patel then instructed S.B., a customer analyst at Teva, to concede “due to [T]eva’s high share.” S.B. subsequently e-mailed T.C., Teva’s Senior Director of Sales & Trade Relations: “Due to the fact that we have high share and already conceded on the other strengths, we are going to concede on this strength as well.” T.C. relayed this statement, word-for-word, to Cardinal.

513. Dr. Reddy’s also submitted a bid to ABC, which was one of the customers that Teva had targeted to keep after losing exclusivity. ABC notified Teva of Dr. Reddy’s competitive bid for Paricalcitol on June 26, 2014. In internal e-mails discussing this price challenge, Teva employees noted that Dr. Reddy’s was “aggressively seeking market share” and potentially eroding the price of the drug. When asked for his thoughts on this, Rekenhaller remarked:

From: Dave Rekenhaller
Sent: Tue 7/01/2014 9:42 AM (GMT-05:00)
To: Nisha Patel02
Cc:
Bcc:
Subject: RE: ABC Paricalcitol CPC #12233 (DRL LAUNCH) →DUE TODAY <--

My thoughts are that Dr. Reddy is really a pain in my ass. Have they picked anyone up to date?

Despite the pricing challenge, Teva retained the ABC Paricalcitol business. As ABC explained to Dr. Reddy's, "Teva wanted to keep the business and has given us a competitive price."

514. Dr. Reddy's formally launched Paricalcitol on June 24, 2014. On or around that date, it sent offers to, *inter alia*, Winn-Dixie, Giant Eagle, and Schnucks. On June 26, 2014, Teva's K.G. told Patel that he was "willing to concede 10-15% share total on Paricalcitol" to Dr. Reddy's.

515. Winn-Dixie informed Teva that it had received a competing offer for Paricalcitol from Dr. Reddy's. Patel recommended that Teva concede the business. Teva did, and Winn-Dixie informed Dr. Reddy's that it had won its Paricalcitol business on July 9, 2014.

516. Giant Eagle informed Teva that it had received a competing offer on Paricalcitol on July 10, 2014. That same day, V.B. of Dr. Reddy's called Patel and the two spoke for more than twelve (12) minutes. Shortly after getting off the phone with V.B., Patel responded to a question from a colleague regarding an RFP to another supermarket chain. One of the potential bid items was Paricalcitol. Patel directed her colleague to "bid a little high on Paricalcitol. We should not be aggressive since we are in the process of conceding share due to additional entrants." Her colleague responded: "I will bid higher" on Paricalcitol.

517. The next day, Teva conceded the Giant Eagle business to Dr. Reddy's. S.B., a Teva Strategic Customer Analyst, wrote in an internal e-mail, "Due to DRL recent

launch and pressure to give up share, we are going to concede.” Giant Eagle accepted Dr. Reddy’s proposal the next day.

518. After receiving an offer from Dr. Reddy’s, Schnucks also asked Teva for reduced pricing in order to retain the business. Teva decided internally to concede Paricalcitol at Schnucks “[d]ue to new entrants and having to give up some share.” In order to create the appearance of competition with this customer, Teva engaged in what Patel referred to as “fluff pricing,” by which it offered Schnucks an inflated price (cover bid) for Paricalcitol to ensure that Teva did not win the business. Indeed, Schnucks was “so insulted” by Teva’s price that it moved to Dr. Reddy’s the same day it received Teva’s offer. When Patel learned of this, she remarked to a Teva salesperson (who she had been discussing “fluff pricing” with recently):

From: Nisha Patel02
 Sent: Thu 7/17/2014 11:36 AM (GMT-05:00)
 To: [REDACTED]
 Cc:
 Bcc:
 Subject: RE: Schnucks Paricalcitol CPC (#12201)

Sorry! Had to laugh. In regards to our recent conversation....this is what we see when we provide fluff pricing. Can't win!

Schnucks accepted Dr. Reddy’s Paricalcitol proposal on June 30, 2014.

519. On July 16, 2014, McKesson informed Teva that it had received a competing bid for Paricalcitol, and that Teva would need to submit its best bid in order to retain the business. Teva initially decided to concede the One Stop portion of McKesson’s business only, while retaining the RiteAid portion. Patel wrote internally to her team that “[t]his decision is based on the number of competitors, DRL’s potential

share target and our current/conceded share. (Dr. Reddy's should be done with challenging our business on this product.)" Patel further added that Teva had been "looking to give up One Stop to be responsible with share" and that "[t]he responsible thing to do is concede some share to DRL but not all."

520. On July 18, 2014 – a Friday – Patel called V.B. at Dr. Reddy's at 4:20pm and left a message. V.B. returned the call on Monday morning, and the two spoke for more than four (4) minutes. They spoke again the next morning, July 22, 2014, for more than six minutes. During these calls, Patel and V.B. agreed that Dr. Reddy's would stop competing for additional market share (and driving price down further) if Teva conceded all of its McKesson business (One Stop and Rite Aid) to Dr. Reddy's. Indeed, Dr. Reddy's confirmed to McKesson (that same day) that it "would be done after this" – meaning it would not compete for additional business because it had attained its fair share. McKesson passed this information along to Teva on July 22.

521. The next day, July 23, 2014, Teva decided to concede its entire McKesson business – both RiteAid and One Stop – to Dr. Reddy's. In making this decision, Patel noted: In its Delphi database, Teva noted that the McKesson Paricalcitol business had been conceded to a "Strategic New Market Entrant." After the fact, former customer McKesson informed Teva that Dr. Reddy's had been "so aggressive because [Teva was] not giving up share."

522. By early August 2014, Dr. Reddy's had attained 15-16% of the total Paricalcitol market, which it decided – pursuant to its understanding with Teva – it would "maintain for now."

2. **Taking The Overarching Conspiracy To A New Level: Price Fixing (2012-2015)**

523. As evident from the many examples above, by 2012 the overarching “fair share” conspiracy was well established in the industry, including among the Defendants. Generic manufacturers replaced competition with coordination in order to maintain their fair share of a given generic drug market and avoid price erosion. The structure and inner workings of the agreement were well understood and adopted throughout the industry.

524. Around this time, however, manufacturers began to focus more on price increases than they had in the past. They were no longer satisfied to simply maintain stable prices – there was a concerted effort by many in the industry to significantly raise prices. Manufacturers started communicating with each other about those increases with greater and greater frequency.

525. A troubling pattern began to emerge. Starting sometime in 2012 or even earlier, and continuing for several years, competitors would systematically communicate with each other as they were identifying opportunities and planning new price increases, and then again shortly before or at the time of each increase. The purpose of these communications was not only to secure an agreement to raise prices, but also to reinforce the essential tenet underlying the fair share agreement – i.e., that they would not punish a competitor for leading a price increase, or steal a competitor’s market share on an increase. There was an understanding among many of these generic drug manufacturers – including the Defendants – that a competitor’s price increase be quickly followed; but even if it could not, the overarching conspiracy dictated that the competitors who had not

increased their prices would, at a minimum, not seek to take advantage of a competitor's price increase by increasing their own market share (unless they had less than "fair share").

526. It is important to note that generic drug manufacturers could not always follow a competitor's price increase quickly. Various business reasons – including supply disruptions or contractual price protection terms with certain customers that would result in the payment of significant penalties – could cause such delays. In those instances when a co-conspirator manufacturer delayed following a price increase, the underlying fair share understanding operated as a safety net to ensure that the competitor not seek to take advantage of a competitor's price increase by stealing market share.

a. Teva July 31, 2012 Price Increase

527. Effective July 31, 2012, Teva increased pricing on a number of different drugs. Many were drugs where Teva was exclusive, but several of them were drugs where Teva faced competition, including the following:⁶

⁶ Watson Pharmaceuticals, Inc. ("Watson"), acquired Actavis in or about October 2012. The two companies operated as a single entity, albeit under separate names, until January 2013, when Watson announced that it had adopted Actavis, Inc. as its new global name. [See <https://www.allergen.com/news/news/thomson-reuters/Watson-pharmaceuticals-inc-is-now-actavis-inc.>]

Drug	Competitors
Buspirone Hydrochloride Tablets	Mylan (29.5%); Watson (23.5%)
Estradiol Tablets	Mylan (26.7%); Watson (16.4%)
Labetalol HCL Tablets	Sandoz (61.4%); Watson (10%)
Loperamide HCL Capsules	Mylan (67%)
Mimvey (Estradiol/Noreth) Tablets	Breckenridge (66.2%)
Nadolol Tablets	Mylan (49.8%); Sandoz (10.3%)
Nitrofurantoin MAC Capsules	Mylan (45.3%); Alvogen (7.9%)
Tamoxifen Citrate Tablets	Mylan (22.2%); Watson (10.3%)

Before raising prices on these drugs, Teva coordinated each of these price increases with its competitors. For every drug on the list above, either Green or Rekenhaller was communicating directly or indirectly with Teva's competitors to coordinate in the days and weeks leading up to the price increase. For example:

- **Mylan**: Green spoke to Nesta on July 23 (7 minutes), July 24 (2 calls: 4 and 8 minutes); July 25 (4 minutes); July 26 (4 minutes); July 30 (2 calls, including one 8 minutes); and July 31, 2012 (5 calls: 6, 2, 4, 7 and 2 minutes);
- **Watson**: Rekenhaller spoke to A.S., a senior Watson sales executive, on July 11, 2012 (2 calls: 1 and 9 minutes);
- **Sandoz**: Green spoke to CW-2 at Sandoz on July 29, 2012 (2 calls: 2 and 4 minutes) and July 31, 2012 (6 minutes).
- **Breckenridge**: Rekenhaller spoke to D.N. a senior sales executive at Breckenridge on July 17, 2012 (4 minutes);
- **Alvogen**: Green had several calls with Nesta at Mylan (noted above) on July 31, 2012. After some of those calls between Green and Nesta on July 31, Nesta called B.H., a senior sales and marketing executive at Alvogen.

528. Teva continued to coordinate with these competitors on these drugs even after July 31, 2012. Examples of this coordination with respect to specific drugs are discussed in more detail below.

i. Nadolol

529. As early as 2012, Teva was speaking to competitors about the drug Nadolol. Nadolol, also known by the brand name Corgard, is a “beta blocker” which is used to treat high blood pressure, reducing the risk of stroke and heart attack. It can also be used to treat chest pain (angina).

530. In 2012 and 2013, Teva’s only competitors for Nadolol were Mylan and Sandoz. All three companies experienced supply problems of some sort during that time period, but they were in continuous communication to coordinate pricing and market allocation in order to maintain market stability. Nadolol was a high volume drug and one of the most profitable drugs where Teva, Mylan and Sandoz overlapped, so it was very important that they maintain their coordination.

531. Teva’s relationships with Mylan and Sandoz are discussed more fully below, but by 2012 an anticompetitive understanding among those companies was firmly entrenched.

532. Teva raised its price on Nadolol on July 31, 2012. In the days leading up to that increase – following a pattern that would become routine and systematic over the following years Kevin Green, at the time in the sales department at Teva, was in frequent communication with executives at both Sandoz and Mylan. Green spoke to CW-2 from Sandoz twice on July 29, 2012, and again on the day of the price increase, July 31, 2012. Similarly, Green was communicating with Nesta of Mylan often in the days leading up to the increase, including five (5) calls on the day of the price increase.

533. Sandoz followed with its own increase on August 27, 2012. The increases were staggering – varying from 746% to 2,762% depending on the formulation. The day before the Sandoz increase, Defendant Armando Kellum, then the Senior Director of Pricing and Contracts at Sandoz, called Green. They had also spoken once earlier in the month, shortly after the Teva increase. CW-2 also called Green twice on August 21, 2012 – the same day that Sandoz requested approval from its Pricing Committee to raise the Nadolol price. The day after the Sandoz increase, Green – acting as the conduit of information between Sandoz and Mylan – called Nesta of Mylan twice, with one call lasting fourteen (14) minutes.

534. Mylan, which returned to the market after a brief supply disruption, followed and matched the Teva and Sandoz increases on January 4, 2013. In what had become a routine component of the scheme, the day before the Mylan increase Nesta spoke to Green four (4) times. The next day, Green conveyed the information he had learned from Nesta directly to his counterpart at Sandoz. On January 4, 2013 – the day of the Mylan increase Green called Kellum twice in the morning, including a six (6) minute call at 9:43am. Shortly after hanging up with Green, Kellum reported internally on what he had learned – but concealing the true source of the information – a convention that was frequently employed by many Sandoz executives to avoid documentation of their covert communications with competitors:

From: Kellum, Armando
Sent: Friday, January 04, 2013 11:28 AM
To: [REDACTED]
Subject: Levothyroxine and nadolol

Just heard from a customer that

- Teva and Mylan raised have now raised price on Nadolol to our levels

and

Mylan took a significant price increase on Levothyroxine

Let's please be cautious on both of these products.

Thanks

Being “cautious” on those products meant that Sandoz did not want to steal business away from its competitors by offering a lower price and taking their market share.

535. Kellum’s phone records demonstrate that he did not speak with any customers during the morning of January 4, 2013. At 11:50am the same morning, Green also called CW-2 at Sandoz and they spoke for fifteen (15) minutes.

536. Significantly, Green was not speaking with his Sandoz contacts solely about Nadolol, the common drug between Teva and Sandoz, but was also conveying information to Sandoz about a Mylan price increase on another drug that Teva did not even sell – Levothyroxine. Such conversations further demonstrate the broad, longstanding agreement among each of these competitors to share market intelligence in order to facilitate the scheme.

537. To put the Nadolol price increases into context, the Connecticut Attorney General’s Office received a complaint from a Connecticut resident who has been prescribed Nadolol for approximately the last 15 years. In or about 2004, that individual

paid between \$10 and \$20 in out-of-pocket costs for a 90-day supply of Nadolol. Today, that same 90-day supply of Nadolol would cost the complainant more than \$500.

538. As discussed more fully below, Teva continued to conspire with Mylan and Sandoz about Nadolol and many other drugs throughout 2013 and into the future.

ii. Labetalol

539. Labetalol, also known by brand names such as Normodyne and Trandate, is a medication used to treat high blood pressure. Labetalol, like Nadolol, is in a class of drugs called beta blockers, and it works by relaxing blood vessels and slowing heart rate to improve blood flow and decrease blood pressure.

540. After Teva increased its pricing on Labetalol on July 31, 2012, it continued to coordinate with its competitors to maintain that supra-competitive pricing for that drug. For example, In October 2012, Teva learned that Sandoz was “no longer having supply issues” but that “Watson is on allocation” (i.e., did not have enough supply to meet all of its demand). In an internal e-mail sent on October 16, 2012, J.L., a senior analyst at Teva, questioned whether Teva should consider lowering “strategic customer pricing” in order to retain its market share.

541. That same day, Green spoke to CW-2 of Sandoz two (2) times. After those calls with CW-2, Green responded to the analyst’s question:

Sandoz is back in good supply. They took a 500% price increase several months back, and they are holding firm with their prices.

Stay the course and maintain our higher price

T.C. of Teva agreed: “We need to stay the TEVA course.”

542. Rekenthaler was not satisfied, however. In order to confirm that Watson was also still committed to maintain high pricing on Labetalol, Rekenthaler called and spoke to A.S., a senior sales executive at Watson, four (4) times on October 18, 2012.

iii. Nitrofurantoin MAC Capsules

543. Nitrofurantoin Macrocrystal, also known by the brand name Macrochantin, is a medication used to treat certain urinary tract infections.

544. Teva's July 31, 2012 price increase on Nitrofurantoin Macrocrystal was between 90-95% depending on the dosage and formulation. After that increase, Teva continued to coordinate with Mylan and Alvogen to maintain those high prices.

545. For example, on October 10, 2012, a distributor customer approached Teva requesting a lower price for Nitrofurantoin MAC because it was having difficulty competing with the prices being charged by the distributor's competitors (i.e., other distributors). At 9:49am on October 10, 2012, K.G. of Teva sent an internal e-mail to the Teva sales team, including Green and Rekenthaler, among others, saying:

Sales Team,

We adjusted our pricing on Nitrofurantoin based on market pricing we had received in the past. Please confirm current market pricing.

Immediately after receiving that e-mail, Green reached out to both Nesta at Mylan and B.H., his counterpart at Alvogen. At 10:01am, Green called Nesta and the two spoke for ten (10) minutes. After hanging up – at 10:11am – Green called B.H. at Alvogen for the first of three (3) calls that day, including one call lasting fourteen (14) minutes. To close

the loop, Nesta also separately spoke to B.H. two times that same day, including a call lasting almost ten (10) minutes. Teva did not lower its price.

b. Increasing Prices Before A New Competitor Enters The Market: Budesonide Inhalation Suspension (February – April 2013)

546. Budesonide Inhalation Suspension, also known by the brand name Pulmicort Respules, is a medication used to control and prevent symptoms caused by asthma. It belongs to a class of drugs called corticosteroids, and works directly in the lungs to make breathing easier by reducing the irritation and swelling of the airways.

547. As of February 2013, Teva was the only company in the market for generic Budesonide Inhalation Suspension. Teva knew, however, that a potential legal action challenging the validity of the patent on the brand drug could allow additional competition into the generic market shortly. So before any additional competition could enter the market, effective February 8, 2013, Teva raised the WAC price for its Budesonide Inhalation Suspension by 9%. Although a very modest increase in percentage terms, the 9% price increase added \$51 million to Teva's annual revenues.

548. On April 1, 2013, Actavis won a legal challenge in federal district court against the brand manufacturer declaring the patent for the brand drug, Pulmicort Respules, invalid. Actavis immediately began planning to launch the product "at risk," which is when a generic manufacturer puts the product on the market before all appeals in the patent lawsuit are formally resolved and there is still a risk that the new generic entrant might ultimately be found to violate the patent. That same day, David Rekenthaler of Teva called his counterpart at Actavis, A.B. – a senior sales and marketing executive –

and they spoke for two (2) minutes. This was the first-ever phone call between them based on the phone records produced.

549. The next day, April 2, 2013, Rekenthaler spoke to A.B two (2) more times, including one call lasting eight (8) minutes. Actavis then immediately began shipping the product. Instead of competing to obtain market share as a new entrant, however, Actavis entered the market with the exact same WAC price as Teva. Indeed, when Teva inquired of a customer that same day to confirm Actavis's pricing, Teva was informed by the customer that Actavis's pricing was "in line with [Teva's] current wholesale pricing."

550. At some point thereafter, further legal action from the brand manufacturer prevented Actavis from permanently entering the market, but in the interim Teva was able to continue to charge the agreed-upon prices. In addition, once Actavis entered the market in 2015, Teva immediately conceded customers to Actavis in accordance with the fair share agreement – after calls between Rekenthaler and Falkin, by then a Vice President at Actavis. See Section IV.C.1.e.v., *supra*.

c. Early 2013: Teva's Generics Business Struggles

551. Despite Teva's initial attempts to increase its revenues through price increases in 2012 and early 2013, its generic business was struggling as of early 2013. Throughout the first quarter of 2013, Teva realized it needed to do something drastic to increase profitability. On May 2, 2013, Teva publicly announced disappointing first quarter 2013 results. Among other things: (1) net income was down 26% compared to the prior year; (2) total net sales were down 4%; and (3) generic sales declined by 7%.

552. By this time, Teva had already started to consider new options to increase its profitability, including more product price increases. Over the next several years, Teva embarked on an aggressive plan to conspire with its competitors to increase and sustain price on many generic drugs – completely turning around the company’s fortunes.

d. April 2013: Teva Hires Nisha Patel

553. In April 2013, Teva took a major step toward implementing more significant price increases by hiring Nisha Patel as its Director of Strategic Customer Marketing. In that position, her job responsibilities included, among other things: (1) serving as the interface between the marketing (pricing) department and the sales force teams to develop customer programs; (2) establishing pricing strategies for new product launches and in-line product opportunities; and (3) overseeing the customer bid process and product pricing administration at Teva.

554. Most importantly, she was responsible for – in her own words – “product selection, price increase implementation, and other price optimization activities for a product portfolio of over 1,000 products.” In that role, Patel had 9-10 direct reports in the pricing department at Teva. One of Patel’s primary job goals was to effectuate price increases. This was a significant factor in her performance evaluations and bonus calculations and, as discussed more fully below, Patel was rewarded handsomely by Teva for doing it.

555. Prior to joining Teva, Patel had worked for eight years at a large drug wholesaler, ABC, working her way up to Director of Global Generic Sourcing. During her time at ABC, Patel had routine interaction with representatives from every major

generic drug manufacturer, and developed and maintained relationships with many of the most important sales and marketing executives at Teva's competitors.

556. Teva hired Patel specifically to identify potential generic drugs for which Teva could raise prices, and then utilize her relationships to effectuate those price increases.

557. Even before Patel started at Teva, she was communicating with potential future competitors about the move, and about her new role. For example, on April 2, 2013 - nearly three weeks before Patel started at Teva - Defendant Ara Aprahamian, the Vice President of Sales and Marketing at Defendant Taro, sent an e-mail to the Chief Operating Officer ("COO") at Taro stating: "Nisha Going To Teva - Hush Hush for now...." The COO responded by saying "[m]aybe the industry will be better for it. Teva can only improve." Teva had, up to that point, acquired a reputation in the industry for being slow to follow price increases, and the Taro COO viewed Patel as someone who would change that mindset at Teva. Patel had also worked with Aprahamian several years earlier at ABC.

558. Patel's last day at ABC was April 11, 2013 and she started at Teva on April 22, 2013. Patel began communicating with competitors, by phone and text, the day after she left ABC, before she even started at Teva. For example:

Date	Call Type	Target Name	Direction	Contact Name	Duration
4/12/2013	Voice	Patel, Nisha (Teva)	Incoming	CW-1 (Sandoz)	0:01:10
4/13/2013	Text	Patel, Nisha (Teva)	Incoming	CW-5 (Glenmark)	0:00:00
4/18/2013	Text	Patel, Nisha (Teva)	Outgoing	R.T. (Sandoz)	0:00:00
4/18/2013	Text	Patel, Nisha (Teva)	Outgoing	R.T. (Sandoz)	0:00:00
4/18/2013	Text	Patel, Nisha (Teva)	Incoming	B.L. (Upsher-Smith)	0:00:00
4/18/2013	Text	Patel, Nisha (Teva)	Outgoing	R.T. (Sandoz)	0:00:00
4/18/2013	Text	Patel, Nisha (Teva)	Outgoing	B.L. (Upsher-Smith)	0:00:00
4/18/2013	Text	Patel, Nisha (Teva)	Outgoing	B.L. (Upsher-Smith)	0:00:00
4/18/2013	Voice	Patel, Nisha (Teva)	Incoming	CW-1 (Sandoz)	0:06:05
4/18/2013	Text	Patel, Nisha (Teva)	Incoming	B.L. (Upsher-Smith)	0:00:00

Once Patel began her employment at Teva, her communications with certain competitors became much more systematic and frequent - and focused around market events such as price increases, market entry, customer challenges and loss of exclusivity.

559. When she joined Teva, Patel's highest priority was identifying drugs where Teva could effectively raise price without competition. On May 1, 2013, Patel began creating an initial spreadsheet with a list of "Price Increase Candidates." As part of her process of identifying candidates for price increases, Patel started to look very closely at Teva's relationships with its competitors, and also her own relationships with individuals at those competitors. In a separate tab of the same "Price Increase Candidates" spreadsheet, Patel began ranking Teva's "Quality of Competition" by assigning companies into several categories, including "Strong Leader/Follower," "Lag Follower," "Borderline" and "Stallers."

560. Patel understood – and stressed internally at Teva – that "price increases tend to stick and markets settle quickly when suppliers increase within a short time frame." Thus, it was very important for Patel to identify those competitors who were

willing to share information about their price increases in advance, so that Teva would be prepared to follow quickly. Conversely, it was important for Patel to be able to inform Teva's competitors of Teva's increase plans so those competitors could also follow quickly. Either way, significant coordination would be required for price increases to be successful – and quality competitors were those who were more willing to coordinate.

561. As she was creating the list, Patel was talking to competitors to determine their willingness to increase prices and, therefore, where they should be ranked on the scale. For example, in one of her first conversations with CW-1 after Patel joined Teva, Patel told CW-1 that she had been hired by Teva to identify drugs where Teva could increase its prices. She asked CW-1 how Sandoz handled price increases. CW-1 told Patel that Sandoz would follow Teva's price increases and, importantly, would not poach Teva's customers after Teva increased. Not surprisingly, Sandoz was one of Teva's highest "quality" competitors. Patel and Teva based many price increase (and market allocation) decisions on this understanding with Sandoz over the next several years.

562. It is important to note that Patel had several different ways of communicating with competitors. Throughout this Complaint, you will see references to various phone calls and text messages that she was exchanging with competitors. But she also communicated with competitors in various other ways, including but not limited to instant messaging through social media platforms such as LinkedIn and Facebook; encrypted messaging through platforms like WhatsApp; and in-person communications. Although the States have been able to obtain some of these communications, many of them have been destroyed by Patel.

563. Through her communications with her competitors, Patel learned more about their planned price increases and entered into agreements for Teva to follow them. On May 2, 2013, Patel spoke to her contacts at Glenmark, Actavis and Sandoz several times:

Date	Call Type	Target Name	Direction	Contact Name	Duration
5/2/2013	Voice	Patel, Nisha (Teva)	Incoming	CW-5 (Glenmark)	0:05:02
5/2/2013	Voice	Patel, Nisha (Teva)	Outgoing	CW-5 (Glenmark)	0:00:06
5/2/2013	Voice	Patel, Nisha (Teva)	Outgoing	Rogerson, Rick (Actavis)	0:00:03
5/2/2013	Voice	Patel, Nisha (Teva)	Incoming	CW-5 (Glenmark)	0:07:18
5/2/2013	Voice	Patel, Nisha (Teva)	Outgoing	CW-1 (Sandoz)	0:15:48
5/2/2013	Voice	Patel, Nisha (Teva)	Outgoing	CW-5 (Glenmark)	0:11:39

After one of her calls with CW-5 of Glenmark, Patel sent an internal e-mail to one of her subordinates directing him to add six (6) different Glenmark drugs to Teva's "high priority" price increase list: Adapalene Gel; Nabumetone; Pravastatin; Ranitidine; Moexipril; and Moexipril HCTZ. As discussed more fully below, these are all drugs that Glenmark eventually increased prices on two weeks later, on May 16, 2013, and Teva followed with its own price increases shortly thereafter.

e. Ranking "Quality of Competition" to Identify Price Increase Candidates

564. By May 6, 2013, Patel had completed her initial ranking of fifty-six (56) different manufacturers in the generic drug market by their "quality." Patel defined "quality" by her assessment of the "strength" of a competitor as a leader or follower for price increases. Ranking was done numerically, from a +3 ranking for the "highest quality" competitor to a -3 ranking for the "lowest quality" competitor. The top ranked competitors at that time included the following companies:

<u>Strong Leader/Follower</u>	<u>Point Scale</u>
Mylan	3
Mylan Institution	3
Watson/Actavis	3
Sandoz/Fougera	3
Glenmark	3
Taro	3

The lowest ranked competitors were:

<u>Strong Leader/Follower</u>	<u>Point Scale</u>
Apotex	-3
Zydus	-3

565. Patel created a formula, which heavily weighted those numerical ratings assigned to each competitor based on their “quality,” combined with a numerical score based on the number of competitors in the market and certain other factors including whether Teva would be leading or following the price increase. According to her formula, the best possible candidate for a price increase (aside from a drug where Teva was exclusive) would be a drug where there was only one other competitor in the market, which would be leading an increase, and where the competitor was the highest “quality.” Conversely, a Teva price increase in drug market with several “low quality” competitors would not be a good candidate due to the potential that low quality competitors might not follow Teva’s price increase and instead use the opportunity to steal Teva’s market share.

566. Notably, the companies with the highest rankings at this time were companies with whom Patel and other executives within Teva had significant relationships. Some of the notable relationships are discussed in more detail below.

i. The “High Quality” Competitor Relationships

567. The highest quality competitors in Patel’s rankings were competitors where Teva had agreements to lead and follow each other’s price increases. The agreements and understandings regarding price increases were what made each of those competitors a high quality competitor. As part of their understandings, those competitors also agreed that they would not seek to compete for market share after a Teva price increase.

(a) Mylan (+3)

568. Mylan was Teva’s highest-ranked competitor by “quality.” The relationship between these two competitors was longstanding, and deeply engrained. It survived changes in personnel over time, and pre-dated Patel’s creation of the quality competitor rankings.

569. Kevin Green, who was employed by Teva beginning in 2006 through late October 2013, first began communicating with Jim Nesta of Mylan by telephone on February 21, 2012. From that time until the time that Green left Teva, Green and Nesta were in almost constant communication, speaking by phone at least 392 times, and exchanging at least twelve (12) text messages – including at or around every significant price increase taken by either company. This amounts to an average of nearly one call or text message every business day during this period.

570. Shortly after Patel started her employment at Teva, she called Nesta on May 10, 2013 and the two spoke for over five (5) minutes. Because Green had already established a relationship with Mylan, Patel did not need to speak directly with Nesta very often. Typically, Patel would e-mail Green and ask him to obtain market intelligence

about certain Mylan drugs; Green would then speak to Nesta – often about a long list of drugs – and report his findings back to Patel. Several examples of these communications are outlined more fully in various sections below.

571. When Green left Teva to join Zydus in late October 2013, the institutional relationship and understanding between Teva and Mylan remained strong. Rekenthaler promptly took over the role of communicating with Nesta. Starting in December 2013, through the time that Rekenthaler left Teva in April, 2015, Rekenthaler spoke to Nesta 100 times. Prior to Green leaving Teva in late- October 2013, Rekenthaler and Nesta had only spoken by phone once, more than a year earlier in 2012.

572. The relationship between Teva and Mylan even pre-dated the relationship between Green and Nesta. For example, between January 1, 2010 and October 26, 2011, R.C., a senior executive at Teva, communicated with R.P., a senior executive counterpart at Mylan, by phone or text at least 135 times. The pace of communications between the two companies slowed dramatically in November 2011 after R.C. left Teva and before Green began communicating with Nesta – but continued nevertheless as needed during that time through communications between Rekenthaler and R.P. at Mylan.

(b) Watson/Actavis (+3)

573. Actavis was Teva's next highest quality competitor by ranking. Patel had strong relationships with several executives at Actavis, including Rogerson, the Executive Director of Pricing and Business Analytics, and A.B., a senior sales executive at Actavis. Rekenthaler also communicated frequently with A.S., a senior sales executive at Watson – a relationship that pre-dated Patel joining Teva.

574. Patel contacted A.B. shortly after she started her employment at Teva, as she was creating the quality competitor rankings. She called him on April 30, 2013, and the two exchanged several text messages the next day, May 1, 2013. But as detailed herein, Patel communicated on a more frequent basis with Rogerson, her counterpart in the pricing department at Actavis. From May 2, 2013 through November 9, 2015, Patel spoke and/or texted with Rogerson 157 times, including calls at or around every significant price increase taken by the respective companies.

575. In August 2013, Defendant Marc Falkin joined Actavis and the relationship between Teva and Actavis grew stronger through his communications with Rekenthaler. From August 7, 2013 through the date that Rekenthaler left Teva in April, 2015, Rekenthaler and Falkin communicated by phone or text at least 433 times.

576. Defendant Maureen Cavanaugh also had a very strong relationship with Falkin. The two communicated with great frequency. From August 7, 2013 through the end of May 2016, Cavanaugh and Falkin spoke or texted with each other 410 times.

(c) *Sandoz (+3)*

577. Sandoz was also considered a top-quality competitor by Teva. Patel had a very strong relationship with CW-1 at Sandoz.

578. Beginning on April 12, 2013 – the day after Patel’s last day at ABC – until August 2016, Patel and CW-1 spoke 185 times by phone, including at or around every significant price increase taken by either company. As detailed above, in one of her initial calls with CW-1 after she joined Teva, Patel asked CW-1 how Sandoz handled price increases. Patel explained that she had been hired at Teva to identify products where

Teva could increase prices. CW-1 reassured Patel that Sandoz would follow any Teva price increases on overlapping drugs, and that Sandoz would not poach Teva's customers after Teva increased price.

579. Green and Rekenthaler of Teva also both had a very strong relationship with CW-2, who was – at that time – a senior Sandoz executive. These relationships predated Patel joining Teva.

(d) *Glenmark (+3)*

580. Glenmark was one of Teva's highest-ranked competitors primarily because Patel had very significant relationships with several different individuals at Glenmark, including CW-5, Brown and J.C., a sales and marketing executive at Glenmark.

581. As stated above, Patel began communicating with CW-5 even before she began her employment at Teva. Patel was also communicating frequently with both CW-5 and J.C. during the time she created the quality competitor rankings, and agreed to follow several Glenmark price increases, in May 2013.

582. Patel and CW-5 communicated by phone with great frequency – including at or around the time of every significant price increase affecting the two companies – until CW-5 left Glenmark in March 2014, at which point their communication ceased for nearly six (6) months. After CW-5 left Glenmark, Patel began communicating with Brown with much greater frequency to obtain competitively sensitive information from Glenmark. Patel and Brown had never spoken by phone before Patel started at Teva, according to the phone records produced.

(e) Taro (+3)

583. Taro was highly rated because of Patel's longstanding relationship with the Vice President of Sales at Taro, Defendant Ara Aprahamian. Patel had known Aprahamian for many years, dating back to when Patel had started her professional career as an intern at ABC.

584. Even though she knew Aprahamian well, they rarely ever spoke or texted by phone until Patel started at Teva. From April 22, 2013 through March 2016, however, Patel and Aprahamian spoke or texted at least 100 times, including calls or text messages at or around the time of every significant price increase affecting the companies during those years.

(f) Lupin (+2)

585. Although initially not the highest ranked competitor, Lupin was assigned a high rating because of Patel's strong relationship with David Berthold, the Vice President of Sales at Lupin. The relationship between Teva and Lupin, however, pre-dated Patel. Prior to Patel starting at Teva, Green and others at Teva conspired directly with Berthold. Several of those examples are discussed above in Section IV.C.1.c. Between January 2012 and October 2013, Berthold and Green, for example, communicated by phone 125 times.

586. From May 6, 2013 through April 8, 2014, Patel and Berthold communicated by phone 76 times, including at or around the time of every significant drug price increase where the two companies overlapped.

587. Demonstrating the strength of the relationship between the two companies, the price increase coordination continued between Defendants Teva and Lupin even when Green had left Teva and when Patel was out on maternity leave. For example, as discussed more fully below in Section IV.C.2.1.1, in October 2013 Lupin was preparing to increase its pricing on the drug Cephalexin Oral Suspension. Without Green or Patel to communicate with, Berthold instead communicated with Rekenthaler and T.S. of Teva in order to coordinate the price increase.

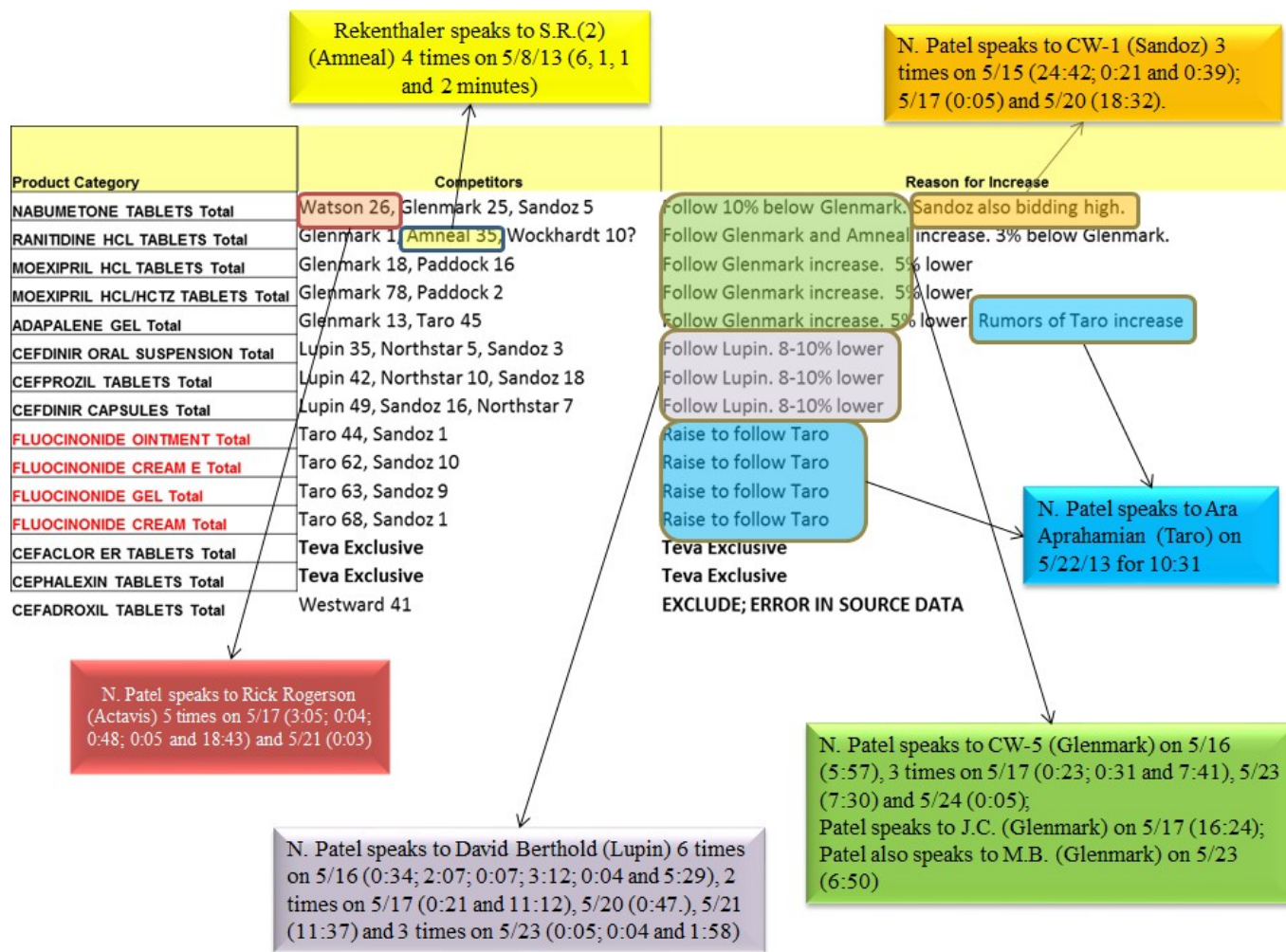
f. May 24, 2013: The First List of Increase Candidates

588. Patel completed and sent her first formal list of recommended price increases to her supervisor, K.G., on May 24, 2013. She sent the list via e-mail, with an attached spreadsheet entitled “Immediate PI File.” The attached list included twelve (12) different drugs where Patel recommended that Teva follow a “high quality” competitor’s price increase as soon as possible. The spreadsheet also revealed competitively sensitive information about future pricing and bidding practices of several of Teva’s high quality competitors – information that Patel could have only learned through her discussions with those competitors. The relevant columns from that spreadsheet are set forth below:

Product Category	Competitors	Reason for Increase
NABUMETONE TABLETS Total	Watson 26, Glenmark 25, Sandoz 5	Follow 10% below Glenmark. Sandoz also bidding high.
RANITIDINE HCL TABLETS Total	Glenmark 1, Amneal 35, Wockhardt 10?	Follow Glenmark and Amneal increase. 3% below Glenmark.
MOEXIPRIL HCL TABLETS Total	Glenmark 18, Paddock 16	Follow Glenmark increase. 5% lower
MOEXIPRIL HCL/HCTZ TABLETS Total	Glenmark 78, Paddock 2	Follow Glenmark increase. 5% lower
ADAPALENE GEL Total	Glenmark 13, Taro 45	Follow Glenmark increase. 5% lower. Rumors of Taro increase
CEFDINIR ORAL SUSPENSION Total	Lupin 35, Northstar 5, Sandoz 3	Follow Lupin. 8-10% lower
CEFPROZIL TABLETS Total	Lupin 42, Northstar 10, Sandoz 18	Follow Lupin. 8-10% lower
CEFDINIR CAPSULES Total	Lupin 49, Sandoz 16, Northstar 7	Follow Lupin. 8-10% lower
FLUOCINONIDE OINTMENT Total	Taro 44, Sandoz 1	Raise to follow Taro
FLUOCINONIDE CREAM E Total	Taro 62, Sandoz 10	Raise to follow Taro
FLUOCINONIDE GEL Total	Taro 63, Sandoz 9	Raise to follow Taro
FLUOCINONIDE CREAM Total	Taro 68, Sandoz 1	Raise to follow Taro
CEFACTOR ER TABLETS Total	Teva Exclusive	Teva Exclusive
CEPHALEXIN TABLETS Total	Teva Exclusive	Teva Exclusive
CEFADROXIL TABLETS Total	Westward 41	EXCLUDE; ERROR IN SOURCE DATA

589. For every one of the relevant drugs on the list, Patel or another executive at Teva spoke frequently with Teva's competitors in the days and weeks leading up to May 24, 2013. During these communications, Teva and its competitors agreed to fix prices and avoid competing with each other in the markets for the identified drugs. For some of these drugs including the multiple formulations of Fluocinonide – Patel knew before she even began her employment at Teva that she would be identifying those drugs as price increase candidates because of communications she had already had with Aprahamian of Taro.

590. The following graphic summarizes some of the calls related to each of the respective competitors leading up to May 24, 2013:



591. The “Immediate PI File,” including the competitively sensitive information Patrel had obtained from competitors, was sent by Patrel’s supervisor K.G. to Defendant Maureen Cavanaugh – at that time the Senior Vice President of Sales and Marketing at Teva – on May 27, 2013. Cavanaugh adopted and approved Patrel’s price increase recommendations on May 28, 2013.

592. The Teva price increases for the drugs identified in Patrel’s May 24, 2013 “Immediate PI File” went into effect on July 3, 2013. Patrel went to great lengths to coordinate these price increases with competitors prior to sending the list to K.G. on May 24, 2013. Some illustrative examples of that coordination are set forth below.

i. Glenmark

593. A number of the drugs identified in the “Immediate PI File” were targeted because of a recent Glenmark price increase on May 16, 2013. As soon as Patel started at Teva, she began to identify price increase candidates through her conversations with various sales and marketing executives at Glenmark, including:

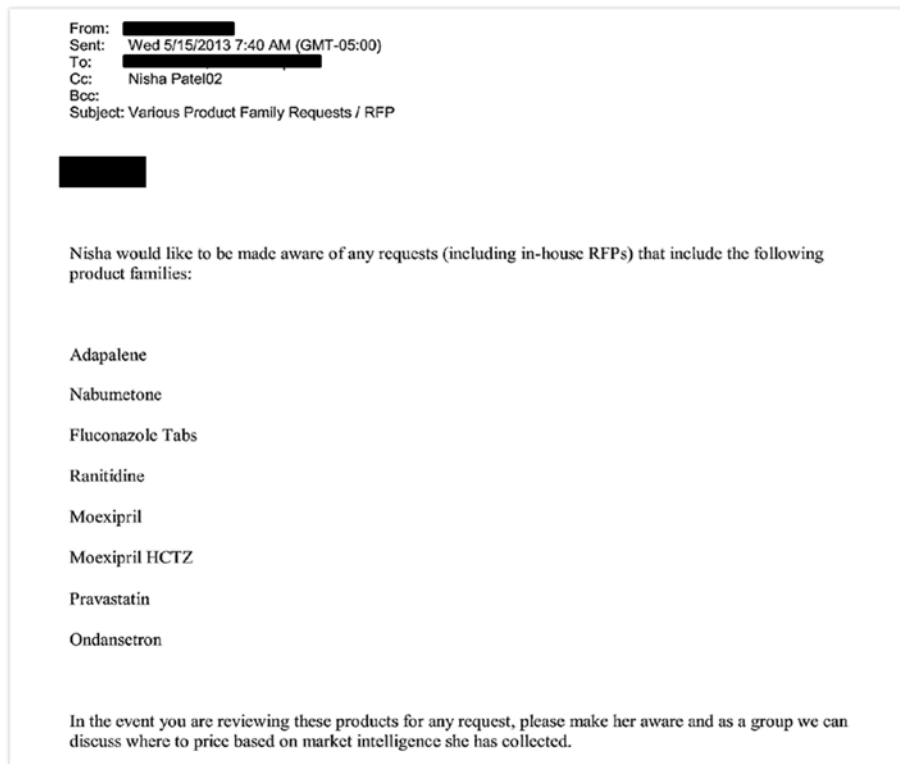
- **CW-5**: 4 calls on 5/2/13 (5:02; 0:06; 7:18 and 11:39), 2 calls on 5/3/13 (1:53 and 0:06); 1 text message on 5/3/13;
- **J.C.**: 3 calls on 5/6/13 (6:45; 20:44; 8:39); 2 calls on 5/7/13 (7:59 and 1:03); For example, early in the morning on May 2, 2013, Patel informed a colleague that she expected to have some new drugs to add to the price increase list imminently:

From: Nisha Patel02
Sent: Thu 5/02/2013 6:49 AM (GMT-05:00)
To: [REDACTED]
Cc:
Bcc:
Subject: RE: Price Increases — will you be scheduling time next week to discuss?

When you get in, let's touch base on the high priority items below. Please gather/calculate the shelf stock and any other financial exposure involved. If possible, use an assumption of a 30% increase for now with a variable formula where the percentages can be changed for different scenarios. I also expect to have some high priority items to add to this list. I should have them shortly.

Less than fifteen minutes later, Patel received a call from CW-5 of Glenmark and the two spoke for just over five (5) minutes. Shortly after that call, at 7:44am, Patel sent a follow-up e-mail where she identified six different “high priority” Glenmark drugs to add to the price increase list, including: Adapalene Gel; Nabumetone; Pravastatin; Ranitidine; Moexipril; and Moexipril HCTZ. Glenmark had not yet increased price on any of those drugs, nor had it sent any notices to customers indicating that it would be doing so (and would not send such notices until May 15, 2013).

594. As the Glenmark price increases were approaching, Patel took steps to make sure that Teva did not undermine its competitor's action. During the morning on May 15, 2013, in anticipation of the Glenmark price increases that had not yet been implemented or made public, Patel instructed her Teva colleagues to alert her of any requests by customers for pricing relating to eight different Glenmark drugs:



In accordance with the fair share understanding outlined above, Patel wanted to be careful to avoid obtaining any market share from Glenmark after the price increases.

595. Following the normal pattern, Patel also spoke to CW-5 of Glenmark for nearly six (6) minutes the next day, May 16, 2013 – the day of the Glenmark price increases. Effective that day, Glenmark increased price on the following drugs where there was an overlap with Teva: Adapalene Gel; Nabumetone; Fluconazole Tablets;

Ranitidine; Moexipril; Moexipril HCTZ; Pravastatin; and Ondansetron. Patel also spoke to CW-5 and J.C. at Glenmark multiple times on May 17, 2013.

596. After the implementation of the Glenmark price increases on May 16, 2013, and before Teva had the opportunity to follow those increases, Teva was approached by several customers looking for a lower price. Teva refused to bid on most of these solicitations in order to maintain market stability. When it did provide a customer with a bid, Teva intentionally bid high so that it would not win the business. As Patel stated to a Teva colleague when a large wholesaler approached Teva about bidding on several Glenmark increase drugs: “IF we bid, we need to bid high, or we will disturb the market.”

597. Patel did not immediately include all of the Glenmark price increase drugs on Teva’s price increase list, however, because certain drugs involved competitors that were not of the highest “quality.” For these drugs, a little more work (and communication) was required before Patel would feel comfortable moving forward with a price increase.

598. For example, the market for Fluconazole Tablets included Greenstone as a competitor (albeit with relatively low market share) in addition to Teva and Glenmark. As of Friday May 17, 2013, Patel had not yet decided whether Teva should follow the Glenmark price increase on Fluconazole, fearing that Greenstone might not be a responsible competitor. In an internal e-mail that day, Patel indicated to colleagues – including her supervisor, K.G. – that she was “[g]athering some revised intel” about Fluconazole in order to determine next steps. The following Monday, May 20, Patel called R.H., a national account manager at Greenstone but was unable to connect. Patel

was ultimately not able to communicate with R.H. by phone until May 28, 2013 when the two had a twenty-one (21) minute call. The next day after speaking to R.H. – May 29, 2013 – Patel promptly added Fluconazole to the Teva price increase list.

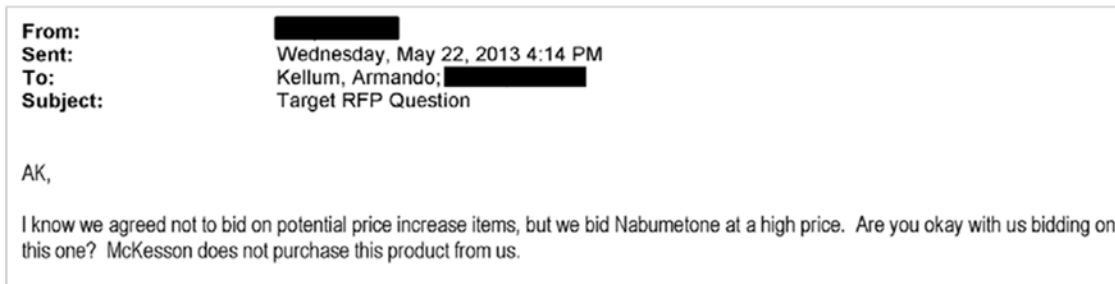
599. As discussed more fully below, Teva followed the Glenmark price increase for Fluconazole Tablets on July 3, 2013. That same day, Patel spoke to R.H. for nearly sixteen (16) minutes; she also spoke to CW-5 at Glenmark for almost five (5) minutes. The Teva price increases were a staggering 875% - 1,570%, depending on the dosage strength. Greenstone then followed with an increase of its own on August 16, 2013. Patel coordinated those increases with both Glenmark and Greenstone.

600. Another example of a drug that required even more effort and coordination among several competitors before it could be included on the Teva price increase list was Pravastatin, which is discussed more fully below in the Section relating to Teva's August 9, 2013 price increases.

ii. Sandoz

601. In her May 24 "Immediate PI File," Patel included competitively sensitive information about the drug Nabumetone, indicating that she was confident following Glenmark's increase because Sandoz was "bidding high" on that drug. In other words, Sandoz would provide cover bids that were too high to be successful, so that Sandoz would not take its competitors' market share even if it did not take its own price increase. Patel had spoken to CW-1 for nearly twenty-five (25) minutes on May 15, 2013, and again for more than eighteen (18) minutes on May 20, 2013, during which time she learned this information.

602. At the same time, Sandoz was internally discussing its “bidding high” strategy for Nabumetone. Two days before Patel sent the “Immediate PI File” to her supervisor, a Sandoz pricing analyst sent the following e-mail to Kellum and CW-1 confirming the strategy:



603. Patel continued to coordinate with CW-1 and other competitors about increasing prices for drugs on the list even after she sent it to K.G. on May 24, 2013. For example, at 8:15am on May 30, 2013, Patel spoke to CW-5 at Glenmark for nearly twelve (12) minutes. Immediately after hanging up the phone, Patel called CW-1 at Sandoz to discuss Glenmark’s increase on the drug Ranitidine and Teva’s plans to follow that increase (Sandoz was also in the market for Ranitidine). She left CW-1 a voicemail, and he called her back promptly. Patel and CW-1 then had several substantive telephone calls over the next half hour.

604. After these conversations with Patel, at 10:02am, CW-1 sent an e-mail to Kellum indicating that he believed there would be price increases in the pipeline with respect to Ranitidine, and suggesting a potentially substantial increase in Sandoz’s price:

From: [REDACTED]
Sent: Thursday, May 30, 2013 10:02 AM
To: Kellum, Armando
Cc: [REDACTED]
Subject: Ranitidine tabs

I think there might be some price increases in the pipeline.

Per analysource Glenmark just took a WAC increase to \$9.53 from \$2.70 (we are at 4.98) on the 150mg on 5/16. I wonder if Teva and Amneal will follow? They are the two dominant players on this molecule

We just bid and I think we are getting the award at a contract price of \$1.77. This contract is negative gross margins but 15% above variable costs. RAD was at \$0.95. Looking at the competition of Amneal, Teva and Glenmark I thought that this was the best way to go to get into this product, we are currently sitting with a 1.8% share.

RAD is also buying up a lot of our short dated product.

Wonder if there is any way to work with them to revise the cost at a future date if Teva and Amneal go up as well. I'm thinking we can go from \$1.77 to \$5 maybe

605. The communication between Patel and CW-1 about competitively sensitive information was constant and unrelenting during this period. For example, in June 2013 Teva was “attempting to understand how [its] pricing for Isoniazid compares to the rest of the market.” On June 11, 2013, L.R., a Teva marketing representative, asked Patel whether she was “aware of any competitive market intel for this family?” According to the marketing representative, Sandoz was also in the market for Isoniazid and had “drastically increased their pricing” in January 2013. Patel responded: “I will try to get the scoop on Sandoz pricing tomorrow. When do you need this by?”

606. The next day - June 12, 2013 - Patel exchanged at least five (5) calls with CW-1 at Sandoz, including those listed below:

Date	Call Typ	Target Name	Direction	Contact Name	Duration
6/12/2013	Voice	Patel, Nisha (Teva)	Outgoing	CW-1 (Sandoz)	0:19:04
6/12/2013	Voice	Patel, Nisha (Teva)	Incoming	CW-1 (Sandoz)	0:03:20
6/12/2013	Voice	Patel, Nisha (Teva)	Incoming	CW-1 (Sandoz)	0:00:00
6/12/2013	Voice	Patel, Nisha (Teva)	Incoming	CW-1 (Sandoz)	0:00:23
6/12/2013	Voice	Patel, Nisha (Teva)	Outgoing	CW-1 (Sandoz)	0:09:21
6/12/2013	Voice	Patel, Nisha (Teva)	Incoming	CW-1 (Sandoz)	0:03:25

At 8:27am, after the first two of the phone calls listed above, Patel sent the following e-mail clarifying some of the information that L.R. had provided, reflecting some of the conversations about market share she was having with CW-1:

From: Nisha Patel02
Sent: Wednesday, June 12, 2013 8:27 AM
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: Isoniazid market pricing

[REDACTED]

I hope to get intel later today. In the meantime, I am hearing about IMS info that contradicts what we have. I am being told that as of quarter ending March 2013, Sandoz has 62% share, with Teva having about 36% share. The data also indicates that Westward has less than 1% share, which implies that they are not back. I have also heard that Westward makes the product for Versa, so they are out for now as well. You may want to request more current share data from Market Research to verify?

It is my opinion that we could have raised pricing to a higher level, but I also understand that there are several factors to consider in these decisions. Depending on what you plan to include in your response, I would also have supply info handy. I imagine that we could easily have picked up more share at this very low price, but were probably limited by supply...which is why Sandoz is able to maintain business at their high price.

I'll pass on additional info as I receive it. If you have any questions, please feel free to come by to chat.

607. Later that day, at 3:21pm, Patel passed along additional information with specific price points she had received from CW-1 at Sandoz:

From: Nisha Patel02
Sent: Wed 6/12/2013 3:21 PM (GMT-05:00)
To: [REDACTED]
Cc: [REDACTED]
Bcc: [REDACTED]
Subject: RE: Isoniazid market pricing

[REDACTED]

Wholesaler nets for Sandoz product are around \$100 for the 300mg 100s and \$80 for 100mg 100s. Our WACs are very low. Let me know if you need anything else.

608. As discussed more fully below, Teva ultimately increased price on Isoniazid on January 28, 2015 – in coordination with Sandoz. Patel spoke to CW-1 for more than sixteen (16) minutes shortly before the increase, on January 22, 2015.

iii. Taro

609. Patel noted in her May 24, 2013 “Immediate PI File” that for the drug Adapalene Gel, she was confident in following the Glenmark price increase because there were also “[r]umors of a Taro increase” on that drug. In addition to Teva and Glenmark, Taro was the only other competitor in the market for Adapalene Gel at that time. Patel had heard the “rumors” about a Taro increase directly from Defendant Ara Aprahamian, the Vice President of Sales and Marketing at Taro. During a nearly eleven (11) minute phone conversation between the two on May 22, 2013, the competitors agreed to follow the Glenmark increase. This was the first call between Patel and Aprahamian since Patel joined Teva.

610. Shortly after the phone call with Patel, Aprahamian made an internal request for a report with specific information about Adapalene Gel in order to evaluate a potential Taro increase on the drug, including volume and pricing. Aprahamian indicated that the reason for his request was that the “[r]umor mill has some price changes in the market.”

611. The next day, May 23, 2013, Aprahamian directed a Taro employee to implement a price increase on Adapalene Gel:

From: Ara Aprahamian/US/TARO

To: [REDACTED]

Cc: Customer Accounting/US/TARO@TARO, Ara Aprahamian/US/TARO@TARO, [REDACTED]

Date: 05/23/2013 11:28 PM

Subject: Fw: Adapalene - price changes

[REDACTED] please coordinate price adjustment for Adapalene for all the highlighted accounts (distributor price only - most specifically keep Target net price the same but Anda distributor price needs to be raised) to a new net of \$97.25....

If you can do today fine, otherwise early next week...

Exactly one week after the call between Patel and Aprahamian, on May 29, 2013, Taro increased its price on Adapalene Gel. As discussed below, Teva followed with its own price increase on July 3, 2013, which was coordinated with both Glenmark and Taro.

g. July 3, 2013 Price Increases

612. Teva implemented its first formal set of price increases using Patel's high-quality competitor formula on July 3, 2013, relating to twenty-one (21) different generic drugs. Many of the drugs slated for price increases were from the May 24, 2013 "Immediate PI File," but several others had been added in the interim. Patel scheduled a conference call for the day before the price increases to discuss those increases with members of Teva's sales and pricing departments:

	Price Increase -- Agenda
Date and Location	Tuesday, July 02, 2013 11:00 AM - 11:30 AM, Call In Number Below/Dave's Office
Attendees	Nisha Patel02; Kevin Green; Dave Rekenhalter; [REDACTED]
Message	We are currently preparing to announce a price increase effective Wednesday, 7/3/13. The list includes several items. I wanted to take some time to do a quick review of the item list and answer any questions you may have. Dial In: 866-225-0660 Access Code: 4075453

- 1) Price increase effective Wednesday, 7/3/2013
- 2) List of items affected:

Product Family	Customers Affected	SWP Change	WAC Change	% ASP Increase (not actual inc)
ADAPALENE GEL Total	All	yes		95%
CEFACLOXR TABLETS Total	All	yes		25%
CEFADROXIL TABLETS Total	All			25%
CEFDINIR CAPSULES Total	All			122%
CEFDINIR ORAL SUSPENSION Tot	All			520-620%
CEFPROZIL TABLETS Total	All			55-95%
CEPHALEXIN TABLETS Total	All	yes	yes	95%
CIMETIDINE TABLETS Total	All	yes	yes	200-800%
FLUCONAZOLE TABLETS Total	All		yes	875-1570%
FLUCINONIDE CREAM E Total	All		yes	10%
FLUCINONIDE CREAM Total	All		yes	15%
FLUCINONIDE GEL Total	All		yes	15%
FLUCINONIDE OINTMENT Total	All		yes	17%
METHOTREXATE TABLETS Total	All		yes	500-1800%
MOEXIPRIL HCL TABLETS Total	All		yes	300-560%
MOEXIPRIL HCL/HCTZ TABLETS	All		yes	70-175%
NABUMETONE TABLETS Total	All		yes	140-160%
NADOLOL TABLETS Total	All less Econdisc	yes	yes	1200-1400%
OXYBUTYNIN CHLORIDE TABLETS	All		yes	1100-1500%
PRAZOSIN HCL CAPSULES Total	All		yes	30%
RANTIDINE HCL TABLETS Total	All	yes	yes	330-900%

Following the now-established pattern, Patel and/or Green spoke to every important competitor in the days and weeks leading up to the July 3, 2013 Teva price increase to coordinate the increases and reiterate the understanding already in place with those competitors.

613. The following graphic details some of the calls between Teva representatives and Teva's competitors in the days and weeks leading up to the July 3,

2013 price increase; color coded to show the calls with specific competitors relating to each drug:



The only drugs that Patel or Green did not coordinate with Teva's competitors (those not highlighted in the graphic above) were drugs where Teva was exclusive – i.e., had no competitors.

614. Patel – and other executives at Teva – went to great efforts to coordinate these price increases with competitors prior to July 3, 2013. Some illustrative examples

of generic drugs that were added to the list after May 24, 2013 are set forth in more detail below.

i. Upsher-Smith

615. On June 13, 2013, as Patel was in the process of finalizing the Teva price increase list, she learned that Defendant Upsher-Smith had increased its listed WAC prices for the drug Oxybutynin Chloride Tablets.

616. Oxybutynin Chloride, also known by the brand name Ditropan XL, is a medication used to treat certain bladder and urinary conditions. Belonging to a class of drugs called antispasmodics, Oxybutynin Chloride relaxes the muscles in the bladder to help decrease problems of urgency and frequent urination.

617. On June 13, 2013, K.G. of Teva sent an e-mail to several Teva employees, including Patel, asking them to “share any competitive intelligence you may have or receive” regarding Oxybutynin Chloride. At that time, Teva had been considering whether to delete the drug from its inventory, due to low supply and profitability. One factor that could potentially change that calculus for Teva was the ability to implement a significant price increase. On June 14, 2013, while considering whether to change Teva’s plan to delete the drug, a Teva employee asked Patel whether she could “provide an estimate of the pricing we might secure business at?”

618. On June 15, 2013, Patel exchanged six (6) text messages with B.L., a senior national account executive at Upsher-Smith.

619. Patel deemed Upsher-Smith a highly-ranked competitor (+2) in large part because of her relationship and understanding with B.L. In the week before she began her

employment at Teva (after leaving her previous employment), Patel and B.L. exchanged several text messages. During her first week on the job, as she was beginning to identify price increase candidates and high quality competitors, Patel spoke to B.L. on April 29, 2013 for nearly twenty (20) minutes. During these initial communications, the two competitors reached an understanding that Teva and Upsher-Smith would follow each other's price increases. This understanding resulted in Upsher-Smith receiving a +2 "quality competitor" ranking from Patel.

620. On June 19, 2013, Teva learned that the other competitor in the market for Oxybutynin Chloride, a company not identified as a Defendant in this Complaint, also increased its price for that drug. As a result, a national account executive at Teva sent an e-mail to Patel stating "Did you know about the Oxybutynin? We have small share, but huge increase there!" Patel responded: "Yes, heard late last week. The train is moving so fast, I'm worried we won't get on!" That same day, Patel instructed a colleague to add Oxybutynin Chloride to the Teva price increase list and began taking steps to implement the increase.

621. On July 3, 2013, Teva implemented a price increase ranging between 1,100 – 1,500% increase on Oxybutynin Chloride, depending on the dosage strength. Like the other drugs on the list, Teva would not have increased its price without first obtaining agreement from competitors that they would not compete with Teva or steal market share after the increase.

ii. Mylan

622. Immediately after she began at Teva, Patel began to investigate Mylan drugs as a potential source for coordinated price increases. For example, on May 6, 2013, as she was creating the list of “Immediate PI” candidates, Patel sent Green an e-mail with an attached spreadsheet titled “Price Increase Candidate Competitive Landscape.” Patel asked Green to “gather as much market intelligence as possible” for certain, specific items that she had highlighted in blue, including nine (9) Mylan drugs: Tolmetin Sodium Capsules; Doxazosin Mesylate Tablets; Methotrexate Tablets; Diltiazem HCL Tablets; Flurbiprofen Tablets; Nadolol Tablets; Amiloride HCL/HCTZ Tablets; Cimetidine Tablets; and Estradiol Tablets.

623. The next day, May 7, 2013, Green spoke to Nesta at Mylan three times, including one call lasting more than eleven (11) minutes. Green also called Patel twice that day to report on what he had learned. Green and Nesta also spoke a number of times over the next several days, including on May 8 (3:46), May 9 (4:05) and May 10, 2013 (0:28; 10:46 and 2:19).

624. On May 14, 2013, Patel asked several Teva national account managers, including Green, to obtain “price points” on certain Mylan drugs including Cimetidine and Nadolol in preparation for a potential price increase. She indicated internally to another Teva colleague that she was expecting “additional Mylan intel” and that she was expecting Mylan “to take an additional increase” on those items. On May 17, 2013, Green spoke to Nesta six (6) times, including calls lasting 11:50, 2:23, 4:25 and 16:02.

625. On May 29, 2013, after a discussion with Cavanaugh, Patel added four Mylan drugs to the Teva price increase list: Nadolol, Cimetidine, Prazosin and Methotrexate.

626. Discussions between Green and Nesta about specific drugs continued into June, as Mylan was also preparing for its own major price increase on a number of drugs. From June 24 through June 28, 2013, for example, Green and Nesta had at least the following telephone calls:

Date	Call Type	Target Name	Direction	Contact Name	Time	Duration
6/24/2013	Voice	Nesta, Jim (Mylan)	Incoming	Green, Kevin (Teva)	13:25:29	0:00:06
6/24/2013	Voice	Nesta, Jim (Mylan)	Outgoing	Green, Kevin (Teva)	13:32:25	0:10:13
6/25/2013	Voice	Nesta, Jim (Mylan)	Incoming	Green, Kevin (Teva)	13:43:27	0:00:06
6/25/2013	Voice	Nesta, Jim (Mylan)	Outgoing	Green, Kevin (Teva)	16:02:58	0:00:32
6/25/2013	Voice	Nesta, Jim (Mylan)	Outgoing	Green, Kevin (Teva)	16:51:43	0:00:03
6/26/2013	Voice	Nesta, Jim (Mylan)	Incoming	Green, Kevin (Teva)	9:55:29	1:00:25
6/27/2013	Voice	Nesta, Jim (Mylan)	Incoming	Green, Kevin (Teva)	10:47:23	0:00:06
6/27/2013	Voice	Nesta, Jim (Mylan)	Outgoing	Green, Kevin (Teva)	11:04:04	0:01:03
6/27/2013	Voice	Nesta, Jim (Mylan)	Outgoing	Green, Kevin (Teva)	15:42:07	0:04:20
6/28/2013	Voice	Nesta, Jim (Mylan)	Outgoing	Green, Kevin (Teva)	10:59:56	0:03:53

627. On June 26, 2013, in the midst of this flurry of communications between Teva and Mylan (and the same day that Green and Nesta had a one-hour phone call), one of Patel's colleagues sent her a suggestion with the following list of potential drugs to add to the price increase list:

<u>Product</u>	<u>Competitors (Mkt Share)</u>
Disopyramide Phosphate Capsules	Actavis (61%)
Ketorolac Tablets	Mylan (32%)
Ketoprofen Capsules	Mylan (63%)
Hydroxyzine Pamoate Capsules	Sandoz (39%); Actavis (9%)
Nystatin Tablets	Heritage (35%); Mutual (32%)

In response, Patel's supervisor, K.G. of Teva, commented that "Ketoprofen would have a high likelihood of success." Patel also responded favorably with regard to some of the drugs, alluding to the fact that she had inside information about at least Ketoprofen:

From: Nisha Patel02
 Sent: Wednesday, June 26, 2013 1:41 PM
 To: [REDACTED]
 Subject: RE: India Transfer Review - Price Increase List Question

[REDACTED]

I definitely agree on Ketoprofen since there are rumors of activity on this one...From a "quality of competitor" standpoint, I definitely think all, but Nystatin, are strong candidates. We'll gather intel on the rest and factor into the potential items for later. Is there a time constraint and a need for actual numbers, or is this just an inquiry to see if they would be possible in the near future? Sorry for the basic questions. I'm just trying to understand how to look at possible deletions v. any other candidate item.

At that time, Nystatin was not considered a strong candidate for a price increase because of the quality of the competitors in the market. As discussed more fully below, those dynamics would later change after Patel struck up a collusive relationship with a high-level executive at Heritage.

628. Not surprisingly given the "rumors," Mylan raised its price for both Ketorolac and Ketoprofen (the two Mylan drugs on the list above) six days later, on July 2, 2013. Teva then quickly followed with its own price increase for both drugs (and others) on August 9, 2013. As discussed more fully below, those price increases were closely coordinated and agreed to by Teva and Mylan.

629. At the end of the flurry of phone communications between Teva and Mylan described above – on June 28, 2013 – Green and Nesta had a four (4) minute call starting at 10:59am. Within minutes after that call, Patel sent the following e-mail internally at Teva:

From: Nisha Patel02
 Sent: Fri 6/28/2013 11:22 AM (GMT-05:00)
 To: [REDACTED]
 Cc: [REDACTED]
 Bcc: [REDACTED]
 Subject: Competitor Increase Items

All,

It is my understanding that Mylan is announcing a long list of price increases today, for a Monday effective date. As we confirm the items and overlap with Teva, we should add the items to the CM alert list and determine what our plan of response is based on various factors (WAC limitation, no WAC limitation, supply, etc).

[REDACTED],

Hearing that Ketoprofen is on the list.

Patel obtained this information directly from Green, but got one significant point wrong (which confirms that she had advance notice of the Mylan increase). In actuality, Mylan did not announce the price increases until the following Monday, July 1, 2013 – with an effective date of July 2, 2013.

630. “Rumors” was a term consistently used by Patel in e-mails to camouflage the fact that she and her co-conspirators within Teva were communicating with competitors about future price increases. She used the term when discussing Taro in the May 24, 2013 “Immediate PI” spreadsheet, after speaking with Aprahamian and before Taro raised its price on Adapalene Gel. She used it again on June 26, 2013 – after Green and Nesta spoke several times in advance of Mylan’s price increase on Ketoprofen.

631. Similarly, on July 2, 2013 – the day before Teva’s price increases (including for the drug Methotrexate) went into effect, a colleague asked Patel how Teva’s competitors’ pricing compared with regard to Methotrexate. Patel responded that

Mylan's pricing was a little low on that drug, "but we are hearing rumors of them taking another increase," so Teva felt comfortable increasing the price of that drug on July 3, 2013. These "rumors" – which were based on the direct communications between Green and Nesta noted above – again turned out to be accurate: Mylan increased its price of Methotrexate, pursuant to its agreement with Teva, on November 15, 2013.

iii. Sandoz

632. After the large Teva and Mylan price increases on July 2 and 3, 2013, Sandoz sought to obtain a "comprehensive list of items" increased so that it would "not respond to something adversely" by inappropriately competing for market share on any of those drugs. Sandoz executives had previously conveyed to their counterparts at both Mylan and Teva that Sandoz would follow their price increases and not steal their customers after an increase. Obtaining the comprehensive list of price increase drugs was an effort by Sandoz to ensure it was aware of every increase taken by both competitors so it could live up to its end of the bargain.

633. On July 9, 2013, CW-1 stated in an internal Sandoz e-mail that he would "call around to the [Sandoz directors of national accounts] to try and gather a comprehensive list of items."

634. Pursuant to that direction, on July 15, 2013 CW-2 of Sandoz called Rekenthaler at Teva and left a message. Rekenthaler called CW-2 back immediately and the two had a three (3) minute conversation during which CW-2 asked Rekenthaler to provide him with a full, comprehensive list of all the Teva price increase drugs – not just those drugs where Teva overlapped with Sandoz. Rekenthaler complied. Understanding

that it was improper to share competitively sensitive pricing information with a competitor, and in an effort to conceal such conduct, Rekenthaler first sent the Teva price increase list from his Teva work e-mail account to a personal e-mail account, and then forwarded the list from his personal e-mail account to CW-2's personal e-mail account:

From: David Rekenthaler [daverek@verizon.net]
Sent: Monday, July 15, 2013 5:02 PM
To: [REDACTED]@icloud.com
Subject: Fwd:

Sent from my iPhone

Begin forwarded message:

From: Dave Rekenthaler <Dave.Rekenthaler@tevapharm.com>
Date: July 15, 2013, 4:59:27 PM EDT
To: "daverek@verizon.net" <daverek@verizon.net>

Product Family	Customers Affected	SWP Change	WAC Change	% ASP Increase (not actual incl)
ADAPALENE GEL Total	All	yes		95%
CEFACLOR ER TABLETS Total	All	yes		25%
CEFAUROXIL TABLETS Total	All			25%
CEFDINIR CAPSULES Total	All			122%
CEFDINIR ORAL SUSPENSION Tot	All			520-620%
CEFPROZIL TABLETS Total	All			55-95%
CEPHALEXON TABLETS Total	All	yes	yes	95%
CINETHIONE TABLETS Total	All	yes	yes	200-800%
FLUCONAZOLE TABLETS Total	All		yes	875-1570%
FLUCONAZOLE CREAM E Total	All		yes	10%
FLUCONAZOLE CREAM Total	All		yes	15%
FLUCONAZOLE GEL Total	All		yes	15%
FLUCONAZOLE OINTMENT Total	All		yes	17%
METHOTREXATE TABLETS Total	All		yes	500-1800%
MOEXIPROL HCL TABLETS Total	All		yes	300-560%
MOEXIPROL HCL/NCTZ TABLETS	All		yes	70-175%
MAJUMETONE TABLETS Total	All		yes	140-160%
MADOLOL TABLETS Total	All less Econdisc	yes	yes	1200-1400%
OXYBUTYRIN CHLORIDE TABLET	All		yes	1100-1500%
PRAZOSIN HCL CAPSULES Total	All		yes	30%
RAMITONE HCL TABLETS Total	All	yes	yes	330-900%

Best regards,

CW-2 later called CW-1 and conveyed the information orally to CW-1, who transcribed the information into a spreadsheet.

635. One of the drugs that both Teva and Mylan increased the price of in early July 2013 was Nadolol. Sandoz was the only other competitor in that market. Shortly after the Teva increase, CW-1 sent Patel a congratulatory message regarding the increase.

h. July 19, 2013 Price Increase (Enalapril Maleate)

636. Immediately after the July 3, 2013 price increases, Patel began preparing for what she called “Round 2” – another large set of Teva price increases. In the interim, however, Teva was presented with an opportunity to coordinate a price increase with competitors on a single drug – Enalapril Maleate Tablets.

637. Enalapril Maleate (“Enalapril”), also known by the brand name Vasotec, is a drug belonging to the class called ACE inhibitors, and is used to treat high blood pressure.

638. Mylan previously increased its price for Enalapril effective July 2, 2013. At that time, there were only three manufacturers in the market: Mylan, Teva and Wockhardt. Enalapril was on the list of drugs slated for a price increase that Teva had received from Mylan in June 2013, before those price increases were put into effect (as discussed above in Section IV.C.2.h).

639. Shortly after the Mylan price increase, on July 10, 2013, Teva received a request from a customer for a lower price on Enalapril. Interestingly, the customer indicated that the request was due to Wockhardt having supply problems, not because of the Mylan increase. K.G. of Teva confirmed that Enalapril “was on the Mylan increase communicated last week. They took a ~75% increase to WAC.”

640. The comment from the customer sparked some confusion at Teva, which Teva quickly sought to clarify. That same day, Green and Nesta had two phone calls, including one lasting almost sixteen (16) minutes. The next day, July 11, 2013, Green and Nesta spoke two more times. During these conversations, Nesta explained to Green that Wockhardt had agreed to follow the Mylan price increase on Enalapril. This information sparked the following e-mail exchange between Green and Patel (starting from the bottom):

From: Kevin Green
Sent: Friday, July 12, 2013 1:12 AM
To: Nisha Patel02
Subject: Re: Enalapril / Wockhardt Supply Constraint

Wockhardt followed Mylan. They are not having supply issues. Just allocating based on the Mylan increase. They make their own API

Sent from my iPhone

On Jul 11, 2013, at 9:54 PM, "Nisha Patel02" <Nisha.Patel02@tevapharm.com> wrote:

Wockhardt took an increase before Mylan? Then had their supply issue? I thought it was their supply issue plus Mylan increase.

Nisha Patel

Teva Pharmaceuticals USA

Director, Strategic Customer Marketing

On Jul 11, 2013, at 10:25 PM, "Kevin Green" <Kevin.Green@tevapharm.com> wrote:

This is all a result of a wockhardt price increase following a Mylan increase

Sent from my iPhone

As it turned out, there must have been a miscommunication between Green and Nesta because although Wockhardt did in fact *plan* to follow Mylan's price increase, it had not yet had the opportunity to do so as of July 11, 2013.

641. On Friday, July 12, 2013, J.P., a national account executive at Teva, asked Patel whether Teva was “planning on increasing [its price for Enalapril]?” Patel responded: “I hope to increase, but we’re gathering all the facts before making a determination.” J.P. then inquired whether Teva would make an offer to the customer, and Patel responded: “Not sure yet. Need some time. We’re exploring the possibility of an increase just on this item . . . in the near future. Maybe next week.”

642. That same day, Patel and Green each started “exploring the possibility” and “gathering the facts” by reaching out to Teva’s two competitors for Enalapril. Patel called Nesta of Mylan directly and they spoke three times, including calls lasting six (6) and five (5) minutes. Patel likely called Nesta directly in this instance because Green was attending the PBA Health⁷ Conference at the Sheraton Overland Park, Overland Park, Kansas, where he was participating in a golf outing. Upon information and belief, K.K. – a senior national account executive at Wockhardt – attended the same conference, and likely spoke directly to Green either at the golf outing during the day or the trade show at night, because at 12:40am that evening (now the morning of July 13, 2013) K.K. created a contact on his cell phone with Green’s cell phone number in it.

643. On Sunday, July 14, 2013, after Green returned home from the conference, Green and Patel spoke three times, including one call lasting twenty-one (21) minutes. During these calls, Green conveyed to Patel what he had learned from K.K.: that Wockhardt planned to follow the Mylan price increase.

⁷ PBA Health is a pharmacy services organization that serves independent community pharmacies with group purchasing and other services.

644. First thing the next morning, on Monday, July 15, 2013, Patel sent an e-mail to a Teva executive stating “new developments...heard that Wockhardt is taking an increase today or tomorrow.” At the same time, Wockhardt began planning to raise the price of Enalapril and sought to confirm specific price points for the increase. Internally, Wockhardt employees understood that K.K. would try to obtain price points from a competitor. That morning, K.K. of Wockhardt called Green for a one (1) minute call; shortly thereafter, Green returned the call and they spoke for two (2) more minutes. At 9:57am that morning, K.K. reported internally the specific price ranges that he had obtained from Green.

645. Armed with this competitively sensitive information, and the understanding that Wockhardt intended to follow the Mylan increase, Teva began to plan its own price increase. On Tuesday, July 16, 2013, Patel sent the following internal e-mail to her supervisor K.G., again using the term “rumors” to obfuscate the true source of her information:

From: Nisha Patel02
Sent: Tue 7/16/2013 11:08 AM (GMT-05:00)
To: [REDACTED]
Cc:
Bcc:
Subject: Enalapril Increase Overview

[REDACTED]

As you are aware, we are currently preparing the information to hopefully be able to implement a price increase on Enalapril.

This is a 3-player market that we share with Mylan and Wockhardt. Mylan announced a price increase last week. We are hearing rumors that Wockhardt will follow or exceed Mylan sometime this week. It would be ideal if we could follow very soon at a slightly more competitive price, with the intent of picking up some additional share in the market. Current share make up is as follows:

1. Mylan: 44%
2. Wockhardt: 43%
3. Teva: 13%

At this time, we are holding off on responding to a couple of bids in-house since a WAC increase would be required to follow the market. It would be a great opportunity to win this share and hopefully additional business as customers request bids going forward. (I think it would be ideal to capture an additional 10%.)

That same day, Nesta called Patel and left a voice mail.

646. Patel's July 16, 2013 e-mail referred to above was forwarded to Cavanaugh, who promptly approved the price increase. That same day, July 16, 2013, Patel then scheduled a "Price Increase Discussion" with members of Teva's sales and pricing teams, and sent the following agenda:

Subject	Price Increase Discussion
Date and Location	Wednesday, July 17, 2013 10:30 AM - 11:00 AM, Dial In Below/Dave's Office
Attendees	Nisha Patel02; [REDACTED]; Dave Rekenhalter; [REDACTED]; [REDACTED]; Kevin Green; [REDACTED]; [REDACTED]
Message	<p>Sorry for the re-schedules!</p> <p>We are planning to announce an increase on Enalapril Tablets effective Friday. I would like to do a quick review of the changes and answer any questions you may have. A summary will be sent prior to the meeting.</p> <p>Dial In: 866-225-0660 Access Code: 4075453</p>

Notes

- 1) Price increase effective 7/19/2013
- 2) List of items affected:

NDC	Generic Name	Strength	Form	Package Size
00093-0026-01	ENALAPRIL MALEATE	2.5 mg	TABLET	100
00093-0026-10	ENALAPRIL MALEATE	2.5 mg	TABLET	1000
00093-0027-01	ENALAPRIL MALEATE	5 mg	TABLET	100
00093-0027-50	ENALAPRIL MALEATE	5 mg	TABLET	5000
00093-0028-01	ENALAPRIL MALEATE	10 mg	TABLET	100
00093-0028-10	ENALAPRIL MALEATE	10 mg	TABLET	1000
00093-0028-50	ENALAPRIL MALEATE	10 mg	TABLET	5000
00093-0029-01	ENALAPRIL MALEATE	20 mg	TABLET	100
00093-0029-10	ENALAPRIL MALEATE	20 mg	TABLET	1000
00093-0029-50	ENALAPRIL MALEATE	20 mg	TABLET	5000

- Pricing Overview
 - 400-650% increase in invoice/contract pricing
 - 350-450% increase in WAC
 - 10% increase in SWP
- All customers are affected (Top Customers: CVS, Rite Aid and Medco)
- Expecting Wockhardt to increase. Please pass on any intelligence you are able to get.
- Additional share target of 10%

647. Teva and Wockhardt simultaneously implemented price increases on July 19, 2013. Although the timing of the price increase was coordinated among the competitors, Patel nevertheless described the simultaneous increase as a coincidence in an internal e-mail that same day:

From: Nisha Patel02
 Sent: Fri 7/19/2013 8:10 AM (GMT-05:00)
 To: [REDACTED]
 Cc: [REDACTED]
 Bcc: [REDACTED]
 Subject: RE: Enalapril Competitive Customer Volume

Dave Rekenhalter; [REDACTED]

FYI, I heard that Wockhardt announced a price increase yesterday morning (probably effective today). Coincidentally, Teva's increase was announced yesterday afternoon with an effective date of today.

I will pass on any supply information I receive.

648. Within a few days after the increases, a customer complained to K.K. at Wockhardt, asking: “What is going on in the market that justifies your price increases?” K.K.’s response to the customer was direct: “Mylan took up first we are just following.” Similarly, in early August a different customer asked Wockhardt to reconsider its increase, suggesting that Wockhardt’s competitors were offering a lower price point. Knowing this to be untrue, K.K. replied again “we followed Mylan and Teva for the increase.”

i. August 9, 2013 Price Increases (“Round 2”)

649. On August 9, 2013, Teva raised prices on twelve (12) different drugs. These increases were again coordinated with a number of Teva’s competitors, including Defendants Mylan, Sandoz, Taro, Lupin, Glenmark, Zydus and Apotex.

650. Patel began planning for the increase shortly after the July 3 increases were implemented. On July 11, 2013, Patel sent a preliminary draft list of price increase candidates to a colleague for what she referred to as “Round 2.” For the drugs on the

preliminary list, Patel stated that “this does not guarantee that [they] will end up getting an increase, but at the very least, it will be put through the review process.”

651. The list included a number of drugs involving the following competitors, primarily: Actavis, Aurobindo, Glenmark, Heritage, Lupin, Mylan and Sandoz. In the days leading up to July 11, 2013, Patel was communicating directly with executives at nearly all of those competitors, including the following:

Date	Call Type	Target Name	Direction	Contact Name	Duration
7/8/2013	Voice	Patel, Nisha (Teva)	Outgoing	CW-5 (Glenmark)	0:11:24
7/8/2013	Voice	Patel, Nisha (Teva)	Outgoing	Berthold, David (Lupin)	0:08:34
7/8/2013	Voice	Patel, Nisha (Teva)	Outgoing	Grauso, Jim (Aurobindo)	0:08:34
7/8/2013	Voice	Patel, Nisha (Teva)	Outgoing	Rogerson, Rick (Actavis)	0:00:08
7/9/2013	Voice	Patel, Nisha (Teva)	Outgoing	Malek, Jason (Heritage)	0:21:08
7/9/2013	Voice	Patel, Nisha (Teva)	Incoming	CW-1 (Sandoz)	0:00:05
7/9/2013	Voice	Patel, Nisha (Teva)	Outgoing	CW-1 (Sandoz)	0:00:07
7/9/2013	Voice	Patel, Nisha (Teva)	Incoming	CW-1 (Sandoz)	0:16:16
7/10/2013	Voice	Patel, Nisha (Teva)	Outgoing	CW-5 (Glenmark)	0:00:04
7/10/2013	Voice	Patel, Nisha (Teva)	Outgoing	Berthold, David (Lupin)	0:04:26
7/10/2013	Text	Patel, Nisha (Teva)	Incoming	CW-5 (Glenmark)	0:00:00
7/11/2013	Voice	Patel, Nisha (Teva)	Outgoing	Berthold, David (Lupin)	0:00:54
7/11/2013	Voice	Patel, Nisha (Teva)	Incoming	CW-5 (Glenmark)	0:07:29

652. Patel was also communicating indirectly with Mylan through Kevin Green. For example, on July 10, 2013 - the day before Patel sent the preliminary “Round 2” increase list - Green and Nesta spoke twice. Shortly after the second call, Green called Patel and the two spoke for just over seven (7) minutes. The next day, on July 11, Nesta and Green exchanged several more calls. The timing of those calls is set forth below:

Date	Call Type	Target Name	Direction	Contact Name	Time	Duration
7/10/2013	Voice	Nesta, Jim (Mylan)	Outgoing	Green, Kevin (Teva)	15:29:50	0:15:38
7/10/2013	Voice	Nesta, Jim (Mylan)	Incoming	Green, Kevin (Teva)	15:46:55	0:02:18
7/10/2013	Voice	Patel, Nisha (Teva)	Incoming	Green, Kevin (Teva)	15:59:38	0:07:05
7/11/2013	Voice	Nesta, Jim (Mylan)	Incoming	Green, Kevin (Teva)	12:11:34	0:00:08
7/11/2013	Voice	Nesta, Jim (Mylan)	Outgoing	Green, Kevin (Teva)	12:12:47	0:00:17
7/11/2013	Voice	Nesta, Jim (Mylan)	Outgoing	Green, Kevin (Teva)	12:38:48	0:04:03
7/11/2013	Voice	Nesta, Jim (Mylan)	Outgoing	Green, Kevin (Teva)	12:43:51	0:00:00
7/11/2013	Voice	Nesta, Jim (Mylan)	Incoming	Green, Kevin (Teva)	13:20:15	0:01:52

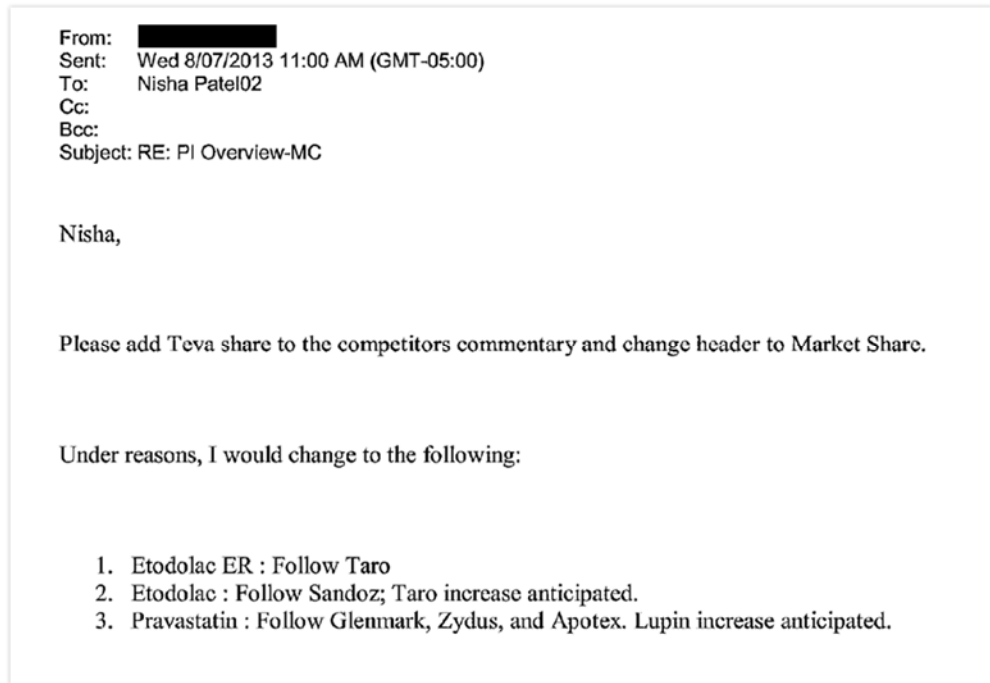
653. Patel and other Teva executives continued to coordinate with competitors over the next several weeks, refining the list and preparing for the next large Teva increase.

654. By August 7, 2013, Patel had finalized the list. That day she sent an e-mail to her supervisor, K.G., with a “Price Increase Overview” spreadsheet which she had prepared for Defendant Maureen Cavanaugh, summarizing the increases. As shown below, the spreadsheet included competitively sensitive information about certain competitors’ plans regarding future price increases that Patel and/or Green could have only learned from directly colluding with those competitors:

Price Increase Overview—Effective August 9, 2013

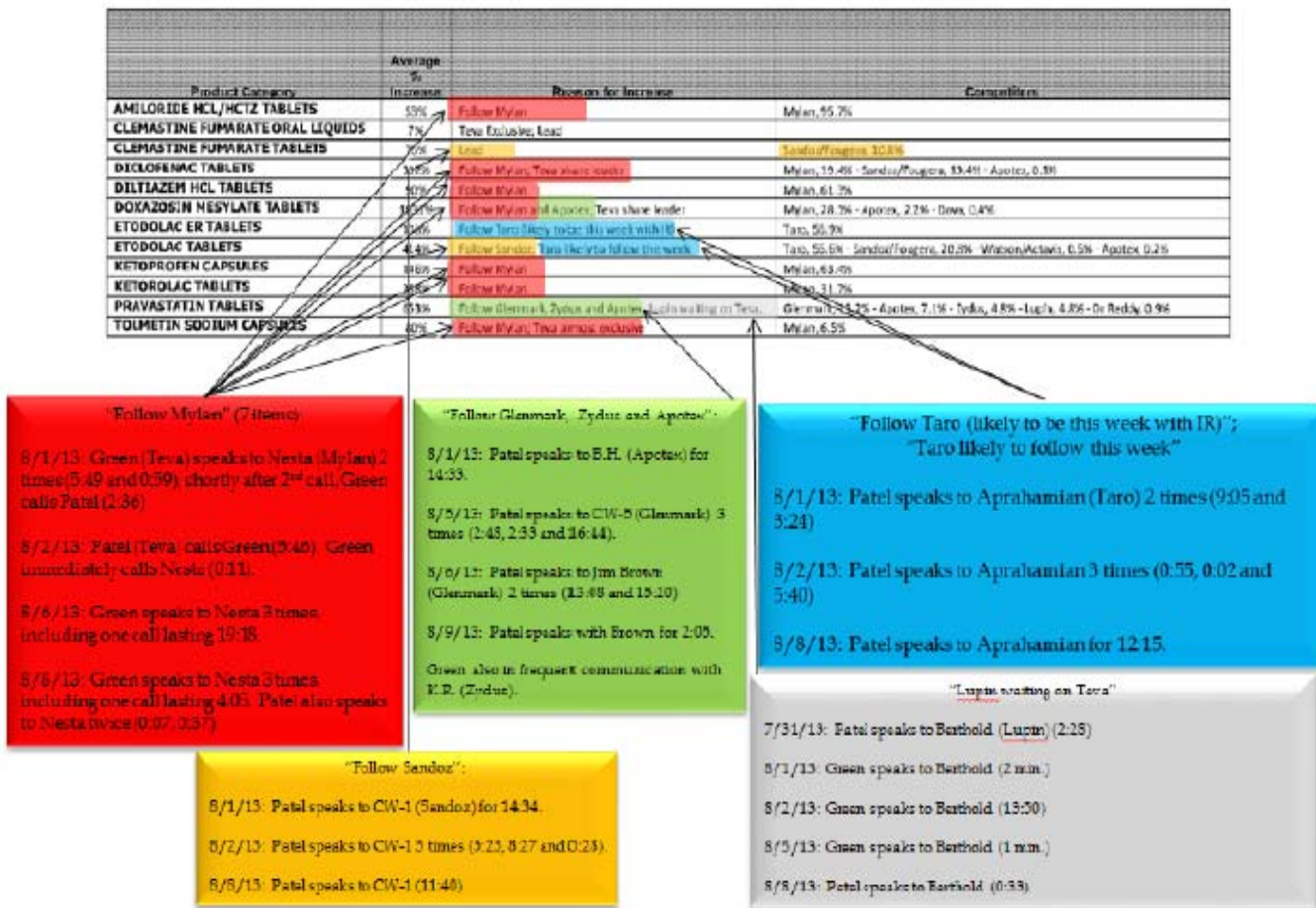
Product Category	Average % Increase	Reason for Increase	Competitors
AMILORIDE HCL/HCTZ TABLETS	53%	Follow Mylan	Mylan, 95.7%
CLEMASTINE FUMARATE ORAL LIQUIDS	7%	Teva Exclusive, Lead	
CLEMASTINE FUMARATE TABLETS	76%	Lead	Sandoz/Pouega, 10.8%
DICLOFENAC TABLETS	302%	Follow Mylan; Teva share leader	Mylan, 19.4% - Sandoz/Pouega, 19.4% - Apotex, 0.1%
DILTIAZEM HCL TABLETS	90%	Follow Mylan	Mylan, 61.3%
DOXAZOSIN MESYLATE TABLETS	1031%	Follow Mylan and Apotex; Teva share leader	Mylan, 28.1% - Apotex, 2.2% - Dava, 0.4%
ETODOLAC ER TABLETS	198%	Follow Taro (likely to be this week with it)	Taro, 56.9%
ETODOLAC TABLETS	414%	Follow Sandoz; Taro likely to follow this week	Taro, 56.6% - Sandoz/Pouega, 20.8% - Watson/Actavis, 0.5% - Apotex, 0.1%
KETOPROFEN CAPSULES	196%	Follow Mylan	Mylan, 63.4%
KETOROLAC TABLETS	268%	Follow Mylan	Mylan, 81.7%
PRAVASTATIN TABLETS	653%	Follow Glenmark, Zydus and Apotex. Lupin waiting on Teva.	Glenmark, 23.2% - Apotex, 7.1% - Zydus, 4.8% - Lupin, 4.8% - Dr Reddy, 0.9%
TOLMETIN SODIUM CAPSULES	80%	Follow Mylan; Teva almost exclusive	Mylan, 6.5%

655. K.G. immediately recognized that having such explicit evidence of a competitor's price increase plans in writing would be problematic for Teva. In response to the e-mail, K.G. politely asked Patel to remove some of the incriminating information:



In accordance with the executive's request, Patel deleted the information.

656. Following the now common and systematic pattern, Patel and Green coordinated the increases with every important competitor in the days and weeks leading up to the increase. The following graphic details some of the calls with competitors in the days and weeks leading up to the increases:



657. The only drug on the list that Patel and/or Green were not coordinating with competitors on in advance (Clemastine Fumarate Oral Liquids) was a drug where Teva was exclusive and thus had no competitors. Interestingly, that drug was slated for the lowest increase of all drugs on the list (7%).

658. The day before the price increase went into effect - August 8, 2013 - Patel was particularly busy, spending most of her morning reaching out and communicating with several key competitors:

Date	Call Type	Target Name	Direction	Contact Name	Time	Duration
8/8/2013	Voice	Patel, Nisha (Teva)	Outgoing	Berthold, David (Lupin)	7:27:26	0:00:33
8/8/2013	Voice	Patel, Nisha (Teva)	Outgoing	CW-1 (Sandoz)	7:34:46	0:11:41
8/8/2013	Voice	Patel, Nisha (Teva)	Outgoing	Aprahamian, Ara (Taro)	7:59:48	0:00:01
8/8/2013	Text	Patel, Nisha (Teva)	Outgoing	Aprahamian, Ara (Taro)	8:01:07	0:00:00
8/8/2013	Voice	Patel, Nisha (Teva)	Incoming	Aprahamian, Ara (Taro)	8:04:04	0:12:15
8/8/2013	Voice	Patel, Nisha (Teva)	Incoming	Nesta, Jim (Mylan)	9:08:05	0:00:00
8/8/2013	Voice	Patel, Nisha (Teva)	Incoming	Nesta, Jim (Mylan)	9:08:28	0:00:07
8/8/2013	Voice	Patel, Nisha (Teva)	Outgoing	Nesta, Jim (Mylan)	9:27:19	0:00:37

As it turned out, Mylan was also in the process of implementing its own price increases on August 9, 2013 on several drugs (including several sold by Teva), and it is likely that Nesta reached out to Patel to coordinate those increases.

i. Mylan

659. Teva and Mylan were coordinating price increases consistently during this period, including the time leading up to the August 9, 2013 increases. During each step in the process, Teva and Mylan executives kept their co-conspirators apprised of their decisions. The communications were typically initiated by Patel, who asked Green to communicate with Nesta of Mylan and obtain what she referred to as “intel” on many different drugs. But at times, Patel communicated directly with Nesta.

660. For example, on July 22, 2013, Patel sent Green an e-mail with an attached spreadsheet of “Round 2” increase items. She indicated that she was “seeking intel” for a group of drugs in the attached spreadsheet with a highlighted yellow “x” and included in a column titled “Follow Mylan/Other:”

[v]

Product Family	Initial Comments	PM Related	Follow Mylan/Other
Amiloride	Mylan increase; Teva only has HCTZ		x
Diclofenac Tab	Mylan increase; On historical PI list	x	x
Doxazosin Mesylate Tabs	Mylan increase; On historical PI list		x
Enalapril Tab	Mylan increase; On historical PI list--COMPLETED		x
Ketoprofen	Follow Mylan; Deletion candidate; PM related	x	x
Ketorolac	Follow Mylan; Deletion candidate; PM related	x	x
Metoprolol	Mylan increase (Teva does not have 25mg but small sku)		x
Nystatin	Heritage involved follow Mutual deletion candidate PM related	x	x
Pravastatin	Carried over from round 1		x
Sotalol	Mylan increase; On historical PI list		x
Tolmetin Tab	Mylan increase; Teva has 94 share; On historical PI list		x
Verapamil (Isoptin SR)	Mylan increase (lost Kroger and OneStop--to who?)		x

A large majority were Mylan drugs.

661. The next day – July 23, 2013 – at 4:30pm, Green and Nesta spoke for more than six (6) minutes. Immediately after hanging up the phone, Green called Patel to convey the intel he had obtained from Mylan. The call lasted more than three (3) minutes.

662. On July 29, 2013, Green at Teva was approached by a large retail pharmacy asking for bids on several of the drugs that Mylan had increased prices on in early July. Green's first step was to request market share information for those drugs so that Teva could make a decision on how to respond to the customer's inquiry based on the generally accepted understanding regarding fair share:

From: Kevin Green
Sent: Monday, July 29, 2013 9:49 AM
To: [REDACTED]
Cc: [REDACTED]
Subject: Walgreens: Items for discussion

[REDACTED]

From the list of items below, can you pull in current market share. These are new opportunities at Walgreens, and I want to see what the current market looks like.

663. The next day, July 30, 2013, Patel sent Green the “latest” price increase file as an attachment, saying that she “[f]igured it would help since I’ve changed a few things on you.” Patel asked Green to obtain additional “market intel” for a group of seven Mylan drugs, some of which varied slightly from the prior spreadsheet.

664. Following the same consistent pattern, Green and Nesta spoke six (6) times over the next two days. After hanging up from the last call between the two on August 1, 2013, Green called Patel and conveyed the results of his conversations. This series of phone calls is detailed below:

Date	Call Type	Target Name	Direction	Contact Name	Time	Duration
7/31/2013	Voice	Nesta, Jim (Mylan)	Outgoing	Green, Kevin (Teva)	14:10:33	0:04:52
7/31/2013	Voice	Nesta, Jim (Mylan)	Outgoing	Green, Kevin (Teva)	14:50:57	0:01:09
7/31/2013	Voice	Nesta, Jim (Mylan)	Outgoing	Green, Kevin (Teva)	14:54:39	0:03:21
7/31/2013	Voice	Nesta, Jim (Mylan)	Outgoing	Green, Kevin (Teva)	14:59:57	0:06:53
7/31/2013	Voice	Nesta, Jim (Mylan)	Outgoing	Green, Kevin (Teva)	16:46:59	0:01:27
8/1/2013	Voice	Nesta, Jim (Mylan)	Outgoing	Green, Kevin (Teva)	11:23:47	0:05:48
8/1/2013	Voice	Nesta, Jim (Mylan)	Outgoing	Green, Kevin (Teva)	12:21:43	0:00:59
8/1/2013	Voice	Patel, Nisha (Teva)	Incoming	Green, Kevin (Teva)	12:29:55	0:02:36

665. In the midst of the phone calls between Green and Nesta on July 31, 2013, Patel sent the following e-mail with “commentary” about the customer request, with a

particular focus on balancing Teva's desire to increase prices against its commitment to adhere to the fair share agreement and how that may affect its market share for certain products sold by Mylan:



666. Based on all of these communications between Teva and Mylan (and at times other competitors), Teva was able to successfully increase price on seven different Mylan drugs on August 9, 2013, as set forth above.

ii. *Pravastatin (Glenmark/Apotex/Zydus/Lupin)*

667. Pravastatin, also known by the brand name Pravachol, is a medication belonging to a class of drugs called “statins,” and is used to treat high cholesterol and triglyceride levels.

668. As early as May 2, 2013, Patel engaged in discussions regarding a price increase for Pravastatin with CW-5, a senior executive at Glenmark. Early in the morning of May 2, as she was in the process of formulating her list of “high quality” competitors and the list of price increase candidates, Patel informed a colleague that she expected to have some “priority items” to add to the price increase list “shortly.” Within minutes, she received a call from CW-5 and they discussed price increases for a number of different drugs, including Pravastatin. Shortly after that call, Patel sent an e-mail to her Teva colleague directing him to add Pravastatin, and several other Glenmark drugs, to the price increase list. In all, Patel spoke to CW-5 four (4) times throughout the day on May 2, 2013, as set forth below:

Date	Call Type	Target Name	Direction	Contact Name	Time	Duration
5/2/2013	Voice	Patel, Nisha (Teva)	Incoming	CW-5 (Glenmark)	7:02:23	0:05:02
5/2/2013	Voice	Patel, Nisha (Teva)	Outgoing	CW-5 (Glenmark)	7:56:12	0:00:06
5/2/2013	Voice	Patel, Nisha (Teva)	Incoming	CW-5 (Glenmark)	10:00:09	0:07:18
5/2/2013	Voice	Patel, Nisha (Teva)	Outgoing	CW-5 (Glenmark)	18:40:29	0:11:39

669. As of May 2013, the market for Pravastatin included five competitors: Glenmark, Teva, Lupin, Zydus and Apotex. The number of competitors made it more difficult to coordinate a price increase. This difficulty stemmed in part because two of those competitors - Zydus and Apotex - were also the two lowest quality competitors in

Patel's quality of competition rankings, and any price increase for that drug would require significant coordination and communication before Teva could feel comfortable raising its own price.

670. Teva was able to achieve a sufficient level of comfort and substantially raise prices for Pravastatin by systematically communicating and reaching agreement with each and every competitor on that drug over the next several months.

671. On May 3, 2013, Green called M.K., a senior executive at Zydus, twice with one call lasting four (4) minutes. Over the next several weeks, Green communicated numerous times with both M.K. and K.R., a senior sales executive at Zydus, to coordinate a Zydus price increase on Pravastatin.

672. On May 6 and 7, 2013, Patel communicated with her contacts at Lupin (Berthold) and Glenmark (J.C., a national account executive) multiple times. Those calls are detailed below:

Date	Call Type	Target Name	Direction	Contact Name	Duration
5/6/2013	Voice	Patel, Nisha (Teva)	Outgoing	Berthold, David (Lupin)	0:00:32
5/6/2013	Voice	Patel, Nisha (Teva)	Incoming	J.C. (Glenmark)	0:06:45
5/6/2013	Voice	Patel, Nisha (Teva)	Incoming	J.C. (Glenmark)	0:20:44
5/6/2013	Voice	Patel, Nisha (Teva)	Incoming	J.C. (Glenmark)	0:08:39
5/6/2013	Voice	Patel, Nisha (Teva)	Incoming	Berthold, David (Lupin)	0:22:02
5/7/2013	Voice	Patel, Nisha (Teva)	Incoming	Berthold, David (Lupin)	0:10:31
5/7/2013	Voice	Patel, Nisha (Teva)	Outgoing	J.C. (Glenmark)	0:08:00
5/7/2013	Voice	Patel, Nisha (Teva)	Incoming	J.C. (Glenmark)	0:01:03

During one or more of her calls with J.C. and/or CW-5 of Glenmark in early May 2013, Patel obtained specific price points from Glenmark for its Pravastatin (and other) price

increases - well before the Glenmark increases became public - and documented those price points in her price increase spreadsheet.

673. By May 8, 2013, Teva executives clearly understood that Glenmark would be leading the Pravastatin price increase, and were comfortable enough with the situation that one marketing executive at Teva indicated in an e-mail to Patel that he was hoping to raise price on Pravastatin “if/when Glenmark does.”

674. As the Glenmark increase for Pravastatin was approaching, Patel began preparing. On May 15, 2013 - the day before Glenmark’s increase would become effective - a Teva executive sent an e-mail out to the pricing team stating that “Nisha would like to be made aware of any requests (including in-house RFPs) that include” several of the Glenmark product families, including Pravastatin. The Teva executive concluded: “[i]n the event you are reviewing these products for any request, please make her aware and *as a group we can discuss where to price based on market intelligence she has collected.*”

675. That same day, Glenmark notified its customers that it would substantially raise the price of Pravastatin, effective May 16, 2013.

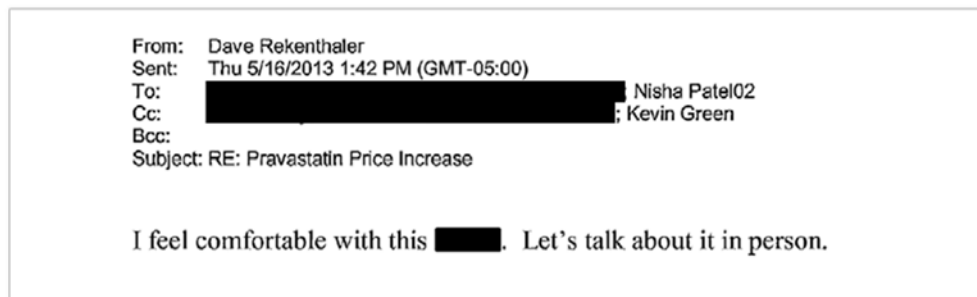
676. As was now the practice among co-conspirators, the day before and the day of the Glenmark increase brought a flurry of phone calls among several of the competitors, including Teva executives. At least some of those calls are set forth below:

Date	Call Type	Target Name	Direction	Contact Name	Duration
5/15/2013	Voice	Green, Kevin (Teva)	Outgoing	M.F. (Zydus)	0:05:00
5/15/2013	Voice	Green, Kevin (Teva)	Incoming	M.K. (Zydus)	0:03:00
5/15/2013	Voice	Green, Kevin (Teva)	Outgoing	K.R. (Zydus)	0:16:00
5/16/2013	Voice	Green, Kevin (Teva)	Outgoing	M.K. (Zydus)	0:04:00
5/16/2013	Voice	Patel, Nisha (Teva)	Outgoing	CW-5 (Glenmark)	0:05:57
5/16/2013	Voice	Patel, Nisha (Teva)	Outgoing	Berthold, David (Lupin)	0:00:00
5/16/2013	Voice	Patel, Nisha (Teva)	Outgoing	Berthold, David (Lupin)	0:00:36
5/16/2013	Voice	Patel, Nisha (Teva)	Incoming	Berthold, David (Lupin)	0:02:07
5/16/2013	Voice	Patel, Nisha (Teva)	Incoming	Berthold, David (Lupin)	0:00:07
5/16/2013	Voice	Patel, Nisha (Teva)	Incoming	Berthold, David (Lupin)	0:03:12
5/16/2013	Voice	Patel, Nisha (Teva)	Incoming	Berthold, David (Lupin)	0:00:04
5/16/2013	Voice	Patel, Nisha (Teva)	Outgoing	Berthold, David (Lupin)	0:05:29

677. As of May 16, 2013, Patel was still considering whether Teva should increase its price for Pravastatin, because she was concerned about whether Zydus would act responsibly and follow a price increase. At that time, Patel did not view Zydus as a quality competitor. Patel stated: “I have asked to get Zydus’ ability to supply on this. If it’s not so great, I would like to add back to the increase list.” Patel later indicated that “[t]he only threat was Zydus. Just waiting to hear on their ability to supply.”

678. Green was responsible for coordinating with Zydus. As seen in the table above, on May 15, 2013, Green spoke with three Zydus employees, including a call with K.R. of Zydus lasting sixteen (16) minutes. The next day, on May 16, Green spoke with M.K. for 4 minutes. Later that day, K.R. called M.K. and the two Zydus executives spoke for more than seventeen (17) minutes. Green also spoke to Rekenhalter and Patel the same day, conveying what he had learned from his communications with the Zydus executives.

679. Also on May 16, Patel's supervisor, K.G., sent an internal e-mail to several colleagues, including Patel and Rekenthaler, stating "I think we need to understand additional competitor ability to take on additional share and pricing actions. The volume is huge for us. It would be nice to try to increase our price, but we do not really want to lose a lot of share on this product." In response, Rekenthaler indicated that he was now comfortable with the price increase, but he did not want to put his reasoning in writing:



680. The next day – May 17, 2013 – Patel continued to coordinate the price increase with executives at both Glenmark and Lupin. For example, at 12:08pm, Patel called Berthold at Lupin for an eleven (11) minute call. While she was on the phone with Berthold, CW-5 of Glenmark called Patel (at 12:09pm) and left a 23-second voice mail. Immediately after she hung up the phone with Defendant Berthold, Patel returned the call to CW-5; they ultimately connected for nearly eight (8) minutes.

681. As of this point, Teva executives had spoken to all of their competitors about Pravastatin except Apotex. From May 20-24, Patel had the following series of phone calls with B.H., a senior sales executive at Apotex, during which Apotex agreed to raise its price for Pravastatin:

Date	Call Type	Target Name	Direction	Contact Name	Duration
5/20/2013	Voice	Patel, Nisha (Teva)	Incoming	B.H. (Apotex)	0:21:56
5/21/2013	Voice	Patel, Nisha (Teva)	Incoming	B.H. (Apotex)	0:11:28
5/23/2013	Voice	Patel, Nisha (Teva)	Incoming	B.H. (Apotex)	0:06:13
5/24/2013	Voice	Patel, Nisha (Teva)	Incoming	B.H. (Apotex)	0:00:39
5/24/2013	Voice	Patel, Nisha (Teva)	Outgoing	B.H. (Apotex)	0:12:07

These were the first documented phone calls between Patel and B.H. since Patel had joined Teva.

682. But even with this agreement in hand, Patel was still hesitant to add Pravastatin to the price increase list until Apotex actually increased its price. For example, when she sent the “Immediate PI” spreadsheet to her supervisor K.G. on May 24, 2013, Pravastatin was still not on the list.

683. That would change shortly. On May 28, 2013, Apotex raised its price for Pravastatin. That same day, Green also exchanged six (6) text messages with K.R. at Zydus. The next day, after a conversation with Defendant Maureen Cavanaugh, Patel added Pravastatin to the Teva price increase list.

684. The day after the Apotex increase, Green spoke to K.R. at Zydus two more times, and exchanged four (4) more text messages. Zydus then quickly followed with a price increase of its own on June 14, 2013.

685. Following the normal pattern, Green spoke to K.R. and M.K at Zydus several times in the days leading up to the Zydus increase, including at least the following calls and text messages:

Date	Call Type	Target Name	Direction	Contact Name	Duration
6/11/2013	Voice	Green, Kevin (Teva)	Outgoing	K.R. (Zydus)	0:01:00
6/11/2013	Voice	Green, Kevin (Teva)	Outgoing	M.K. (Zydus)	0:26:00
6/11/2013	Voice	Green, Kevin (Teva)	Outgoing	M.K. (Zydus)	0:03:00
6/11/2013	Text	K.R. (Zydus)	Outgoing	Green, Kevin (Teva)	0:00:00
6/11/2013	Text	K.R. (Zydus)	Incoming	Green, Kevin (Teva)	0:00:00
6/11/2013	Text	K.R. (Zydus)	Outgoing	Green, Kevin (Teva)	0:00:00
6/12/2013	Voice	Green, Kevin (Teva)	Incoming	K.R. (Zydus)	0:22:00
6/12/2013	Voice	Green, Kevin (Teva)	Incoming	K.R. (Zydus)	0:14:00
6/12/2013	Voice	Green, Kevin (Teva)	Incoming	K.R. (Zydus)	0:01:00
6/13/2013	Voice	Green, Kevin (Teva)	Outgoing	M.F. (Zydus)	0:16:00
6/13/2013	Voice	K.R. (Zydus)	Outgoing	Green, Kevin (Teva)	0:07:11

686. Teva ultimately followed Glenmark, Apotex and Zydus with a significant (653%) price increase of its own on August 9, 2013. As described in more detail above, in the days and weeks leading up to August 9, Patel and Green were communicating with all of Teva's competitors for Pravastatin to coordinate the increase.

687. When Patel sent the "Price Increase Overview" to her supervisor, K G., on August 7, 2009, two days in advance of Teva's price increase, she included one piece of very telling information about the agreement she had in place with Defendants Belihold and Lupin: specifically, that Lupin was "waiting on Teva" before implementing its own increase. Based on this representation from Lupin, and Lupin's status as a high-quality competitor, Teva executives felt comfortable implementing the significant price increase.

688. A couple of days after Teva implemented its increase, a colleague at Teva asked Patel when Zydus and Apotex implemented their price increases. In her response, Patel confirmed that it was Kevin Green (or "KGn") who had indeed coordinated the Pravastatin price increase with Zydus:

Assuming we're talking Prava. Glenmark did theirs 5/15. Zydus followed right before/after hdma i think. apotex i think was early to mid june? KGn got the Zydus intel...he might know off the top of his head.

689. Pursuant to that agreement, shortly after Teva's increase – on August 28, 2013 – Lupin raised its price to follow competitors Glenmark, Apotex, Zydus and Teva.

690. The extra work required to implement the Pravastatin price increase was well worth it to Teva. On August 8, 2013 – the day before the Teva increase – Patel sent her supervisor K.G. an estimate of the “net upside” to Teva as a result of certain price increases. She estimated that, for Pravastatin alone, the “net upside after credits” to Teva was \$674,670,548 *per quarter*.

iii. Etodolac and Etodolac ER

691. Etodolac, also known by the brand name Lodine, is a medication known as a non-steroidal anti-inflammatory drug (NSAID). It is used to reduce pain, swelling and joint stiffness from arthritis. It works by blocking the body's production of certain natural substances that cause inflammation. An extended release version of Etodolac – Etodolac ER – also known by the brand name Lodine XL, is also available.

692. As of July 13, 2013, Teva sold both Etodolac and Etodolac ER. Teva's competitors for the standard version of Etodolac were Taro and Sandoz. For Etodolac ER, Teva had only one competitor – Taro.

693. When Patel first began planning for “Round 2” of Teva's price increases, Etodolac and Etodolac ER were not slated for increases. For example, when she circulated a long list of potential “Round 2” increases on July 11, 2013 (that would later be cut down substantially) – neither of those drugs was on the list.

694. Around that time, Sandoz began identifying a list of drugs where it believed it could increase price by the end of July. Etodolac was on the list, primarily because Sandoz would be able to implement a substantial increase without incurring significant price protection penalties from its customers.

695. On July 16, 2013, CW-3, then a senior executive at Sandoz, reached out to Aprahamian at Taro and they spoke for sixteen (16) minutes. Aprahamian called CW-3 back the next day and the two spoke again for eight (8) minutes. After hanging up the phone with CW-3, Aprahamian immediately called Patel. They exchanged voicemails until they were able to connect later in the day for nearly fourteen (14) minutes. On July 18, 2013, Patel called CW-1 at Sandoz and the two spoke for more than ten (10) minutes.

696. During this flurry of phone calls, Defendants Sandoz, Taro and Teva agreed to raise prices for both Etodolac and Etodolac ER.

697. On July 22, 2013 – before any price increases took effect or were made public, Patel added both Etodolac and Etodolac ER to her price increase spreadsheet for the first time, with the following notations:

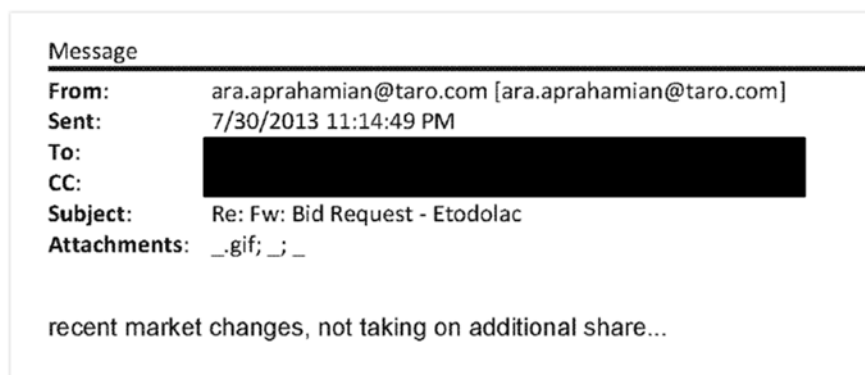
Etodolac	Sandoz* (All strong competitors)
Etodolac ER	Could follow IR (Shared with Taro)

Based on her conversations with CW-1 and Aprahamian, Patel understood that Sandoz planned to increase its price on Etodolac, and that Taro would follow suit and raise its price for Etodolac ER. During those conversations, Teva agreed to follow both price increases.

698. That same day, Sandoz sent out a calendar notice to certain sales and pricing employees for a conference call scheduled for July 23, 2013 to discuss planned price increases, including for Etodolac. Prior to the conference call on July 23, CW-1 called Patel at Teva. After exchanging voice mails, the two were able to connect for more than fourteen (14) minutes that day. During that call, CW-1 confirmed the details of the Sandoz price increase on Etodolac. Similarly, CW-3 of Sandoz called Aprahamian at Taro that same day and the two spoke for more than three (3) minutes.

699. The Sandoz price increase for Etodolac became effective on July 26, 2013. That same day, Taro received a request from a customer for a one-time buy on Etodolac 400mg Tablets. After learning of the request, Aprahamian responded swiftly internally: “Not so fast. Why the request? Market just changed on this and not apt to undercut.”

700. When Taro received another request on July 30 from a large wholesale customer for a bid due to the Sandoz price increase, Aprahamian’s internal response was equally short:



701. Also on July 26, Patel sent an e-mail to others at Teva – including her supervisor K.G., Rekenthaler and others – informing them of the Sandoz increase on

Etodolac IR (immediate release). She instructed them to “[p]lease watch ordering activity for both, IR and ER. The intent is that we will follow in the near future, but a date has not been determined.”

702. Patel continued to coordinate with both Sandoz and Taro regarding the Etodolac and Etodolac ER price increases (among other things). Between July 29 and August 2, 2013, for example, Patel engaged in the following series of calls with CW-1 of Sandoz and Aprahamian at Taro:

Date	Call Type	Target Name	Direction	Contact Name	Time	Duration
7/29/2013	Voice	Patel, Nisha (Teva)	Outgoing	CW-1 (Sandoz)	8:44:23	0:09:08
7/30/2013	Voice	Patel, Nisha (Teva)	Incoming	Aprahamian, Ara (Taro)	13:05:11	0:09:51
7/31/2013	Voice	Patel, Nisha (Teva)	Outgoing	Aprahamian, Ara (Taro)	13:17:12	0:03:33
8/1/2013	Voice	Patel, Nisha (Teva)	Incoming	Aprahamian, Ara (Taro)	11:01:31	0:09:05
8/1/2013	Voice	Patel, Nisha (Teva)	Outgoing	Aprahamian, Ara (Taro)	14:35:17	0:03:24
8/1/2013	Voice	Patel, Nisha (Teva)	Outgoing	CW-1 (Sandoz)	16:41:05	0:14:34
8/2/2013	Voice	Patel, Nisha (Teva)	Outgoing	CW-1 (Sandoz)	8:59:51	0:05:23
8/2/2013	Voice	Patel, Nisha (Teva)	Outgoing	CW-1 (Sandoz)	10:15:46	0:08:27
8/2/2013	Voice	Patel, Nisha (Teva)	Outgoing	CW-1 (Sandoz)	10:59:57	0:00:28
8/2/2013	Voice	Patel, Nisha (Teva)	Incoming	Aprahamian, Ara (Taro)	17:33:12	0:00:00
8/2/2013	Voice	Patel, Nisha (Teva)	Outgoing	Aprahamian, Ara (Taro)	17:34:43	0:00:55
8/2/2013	Voice	Patel, Nisha (Teva)	Outgoing	Aprahamian, Ara (Taro)	17:35:47	0:00:02
8/2/2013	Voice	Patel, Nisha (Teva)	Incoming	Aprahamian, Ara (Taro)	17:36:12	0:05:40

Aprahamian was also speaking to his contact at Sandoz- CW-3 - during this time, including the following calls:

Date	Call Type	Target Name	Direction	Contact Name	Time	Duration
7/30/2013	Voice	Aprahamian, Ara (Taro)	Outgoing	CW-3 (Sandoz)	7:56:00	0:01:00
8/1/2013	Voice	Aprahamian, Ara (Taro)	Incoming	CW-3 (Sandoz)	12:43:00	0:14:00
8/2/2013	Voice	Aprahamian, Ara (Taro)	Incoming	CW-3 (Sandoz)	13:26:00	0:06:00

703. On August 1, 2013 - shortly after speaking with Patel - Aprahamian instructed a colleague at Taro to begin implementing a price increase on Etodolac and

Etodolac ER. Aprahamian stated “[w]e need to get these out next week.” Not wanting to provide the details in writing, Aprahamian concluded: “Will come over and discuss with you.”

704. By August 5, 2013, it was well known internally at Teva that Taro would soon be raising prices on both Etodolac and Etodolac ER. The minutes from a Teva “Marketing Ops” meeting on August 5, 2013 - which Patel attended - reflect the following:

4. Etodolac – Sandoz did take price increase on IR, Taro taking a price increase on IR and ER this week. CIM still monitoring to 100% forecast for all customers.

705. When Patel sent the “Price Increase Overview” spreadsheet to her supervisor K.G. on August 7, 2013, summarizing Teva’s upcoming August 9 price increases, she again made it clear that the reason Teva was increasing its prices for Etodolac and Etodolac ER was because Teva senior executives knew that Taro would be raising its prices on both drugs “this week.” K.G. quickly instructed Patel to delete those entries, but never instructed her to stop communicating with the company’s competitors, including Taro.

706. Teva and Taro raised prices for Etodolac and Etodolac ER simultaneously, with the price increases effective on August 9, 2013. Both their AWP and their WAC prices were increased to the exact same price points. The increases were substantial. For Etodolac, Teva’s average increase was 414%; for Etodolac ER, the average increase was 198%.

iv. Impact of Price Increases

707. As she was preparing to implement Teva's August 9, 2013 price increases, Patel also calculated the quarterly increase in sales revenues resulting from the price increase taken by Teva on July 3, 2013. The analysis also included the financial impact of the recent Pravastatin increase. The results were staggering.

708. According to her analysis, the "Total Net Upside after Credits" as a result of the July 3 price increases, plus Pravastatin and one other drug, was a staggering \$937,079,079 (nearly \$1 billion) *per quarter* to Teva, as shown below:

Price Increase Category	Incremental Sales Value (Est ASPs)	Total Credit Estimate	CVS Credit Estimate	Credit Estimate (Less CVS)	Total Net Upside after Credits	Total Net Upside (CVS credits deferred)
Grand Total	\$973,184,165	(\$36,105,086)	(\$10,188,095)	(\$25,916,991)	\$937,079,079	\$962,996,070
IHI Total	\$850,711,025	(\$31,676,647)	(\$7,898,091)	(\$23,778,555)	\$819,034,379	\$842,812,934
ILI Total	\$34,078,176	(\$1,489,058)	(\$594,035)	(\$895,023)	\$32,589,117	\$33,484,141
UR Total	\$88,394,964	(\$2,939,381)	(\$1,695,968)	(\$1,243,413)	\$85,455,583	\$86,698,996

709. Patel was rewarded handsomely by Teva for effectuating these price increases. In March 2014, less than a year after starting at Teva, Patel was rewarded with a \$37,734 cash bonus, as well as an allocation of 9,500 Teva stock options.

j. Price Increase Hiatus

710. Shortly after the August 9, 2013 price increase went into effect, Patel left the office for several months while on maternity leave.

711. This slowed down Teva's plans for its next round of price increases. During the time period while Patel was out on maternity leave, Teva did not implement or plan

any additional price increases, instead waiting for Patel to return and continue her work. Patel began to return to the office on a part-time basis beginning in November 2013.

712. During this time period, Kevin Green left Teva to join Defendant Zydus as the Associate Vice President of National Accounts. His last day of employment at Teva was October 23, 2013. This prompted Rekenthaler to assume the role of communicating with specific competitors, including Mylan. Rekenthaler also identified and began communicating on a more frequent basis with co-conspirators at different companies to facilitate the price increase process for Teva.

713. As discussed more fully below, although Patel's absence slowed Teva in its plans for price increases on additional drugs, it did not stop certain competitors – in particular Lupin and Greenstone – from attempting to coordinate with Teva regarding their own price increases. In Patel's absence, they simply communicated through different channels. These communications were conveyed to Patel upon her return and she included the information in her efforts to identify new price increase candidates.

714. As discussed more fully below, by early 2014 Patel had picked up right where she left off planning for the next round of Teva increases.

k. March 7, 2014: Price Increases and Overarching Conspiracy Converge (Niacin ER)

715. Niacin Extended Release (ER), also known by the brand name Niaspan Extended Release, is a medication used to treat high cholesterol.

716. On September 20, 2013, Teva entered the market for Niacin ER as the first-to-file generic manufacturer. As the first-to-file, Teva was awarded 180 days of

exclusivity to sell the generic drug before other generic manufacturers could enter the market.

717. Teva's period of exclusivity for Niacin ER was scheduled to expire on March 20, 2014. As that date approached, Teva began to plan for loss of its exclusivity. By at least as early as February, Teva learned that Defendant Lupin would be the only competitor entering the market on March 20.

718. The first thing Teva sought to do – knowing that a high-quality competitor would be the only new entrant – was to raise its price. On February 28, 2014, Defendant Maureen Cavanaugh instructed K.G. and others at Teva that “[w]e need to do the Niacin ER price increase before Lupin comes to market and sends offers out.” K.G. immediately forwarded the e-mail to Patel with the instruction: “Please see comment on Niacin ER. Please make sure you include in your price increase.” Later that day, Patel called Berthold at Lupin and the two spoke for nearly seven (7) minutes.

719. Within a week, Teva was ready to implement the price increase. On March 5, 2014, Patel sent an e-mail to the Teva pricing group stating “[p]lease prepare for a price increase on Niacin ER, to be communicated [to customers] this Friday for an effective date of Monday.” The next day, March 6, Teva notified its customers that it would be implementing a price increase on Niacin ER effective March 7, 2014. The increase was for 10% across the board, on all formulations.

720. Once Teva coordinated the price increase, it next began taking the necessary steps to divvy up the Niacin ER market with new entrant Lupin so as to avoid competition that would erode Teva's high pricing. Patel scheduled a meeting with

Rekenthaler for March 6, 2014 to discuss an “LOE Plan” for Niacin ER. “LOE Plan,” in Teva parlance, is a plan detailing which customers Teva would concede and which customers it would retain upon Teva’s “loss of exclusivity” in a particular generic drug market. Teva’s LOE plans were often secretly negotiated directly with competitors as they were entering the market, consistent with the industry understanding of fair share discussed above.

721. This situation was no different. During the morning of March 6, 2014, Patel called Berthold and they spoke for more than seven (7) minutes. During this and several subsequent calls, discussed in more detail below, Teva and Lupin agreed on which specific customers Teva would concede to Lupin when it entered the market on March 20, 2014. Teva agreed that it would concede 40% of the market to Lupin upon entry.

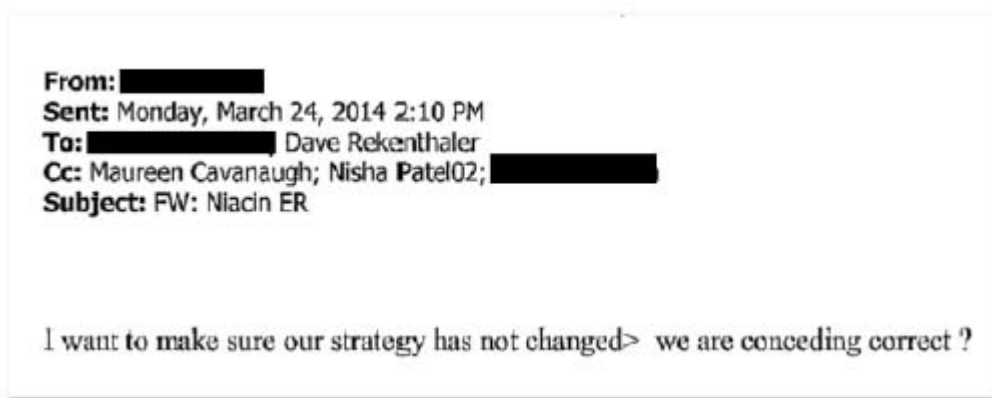
722. When Lupin entered the market for Niacin ER on March 20, 2014, it entered at the same WAC per unit cost as Teva, for every formulation. In the days leading up to Lupin’s entry, Patel and Berthold were in frequent communication to coordinate the entry, as set forth below:

Date	Call Type	Target Name	Direction	Contact Name	Duration
3/17/2014	Voice	Patel, Nisha (Teva)	Incoming	Berthold, David (Lupin)	0:07:44
3/18/2014	Voice	Patel, Nisha (Teva)	Incoming	Berthold, David (Lupin)	0:12:19
3/19/2014	Voice	Patel, Nisha (Teva)	Outgoing	Berthold, David (Lupin)	0:06:20
3/20/2014	Voice	Patel, Nisha (Teva)	Incoming	Berthold, David (Lupin)	0:12:34

723. In addition, Lupin entered with customer pricing only 10% below Teva’s recently increased pricing - so it was expected that pricing would remain at least at

Teva's pre-increase exclusive pricing levels. In other words, there was little or no price erosion as a result of Lupin's anticompetitive entry into the market for Niacin ER.

724. Over the next several days, Patel and Berthold continued to coordinate to make sure Lupin obtained the agreed-upon customers. For example, on March 24, 2014, a Teva executive received an e-mail from Cardinal indicating that Cardinal had received "a competitive offer for the Niacin ER family." Cardinal was one of the customers that Teva had already agreed to concede to Lupin. The Teva executive forwarded the e-mail to several people internally at Teva, including Patel, Rekenthaler and Cavanaugh, confirming the plan:



That same day, Patel spoke to Berthold at Lupin three times, as shown below:

Date	Call Typ	Target Name	Direction	Contact Name	Duration
3/24/2014	Voice	Patel, Nisha (Teva)	Outgoing	Berthold, David (Lupin)	0:05:14
3/24/2014	Voice	Patel, Nisha (Teva)	Incoming	Berthold, David (Lupin)	0:04:55
3/24/2014	Voice	Patel, Nisha (Teva)	Outgoing	Berthold, David (Lupin)	0:11:49

Patel responded:

From: Nisha Patel02
 Sent: Mon 3/24/2014 1:13 PM (GMT-05:00)
 To: [REDACTED]
 Cc: Maureen Cavanaugh; [REDACTED] Dave Rekenthaler
 Bcc:
 Subject: RE: Niacin ER

Yes. The plan is to concede. This was re-confirmed earlier today, unless something has changed.

725. The next day – March 25, 2014 – K.G. of Teva summarized the status of Teva’s LOE Plan and the company’s agreement with Lupin on Niacin ER: “With the four concessions (CVS, Cardinal, Optum and Humana), we would be giving up right around 40% share as Dave noted (I calculated 39%) We need to keep everybody else.”

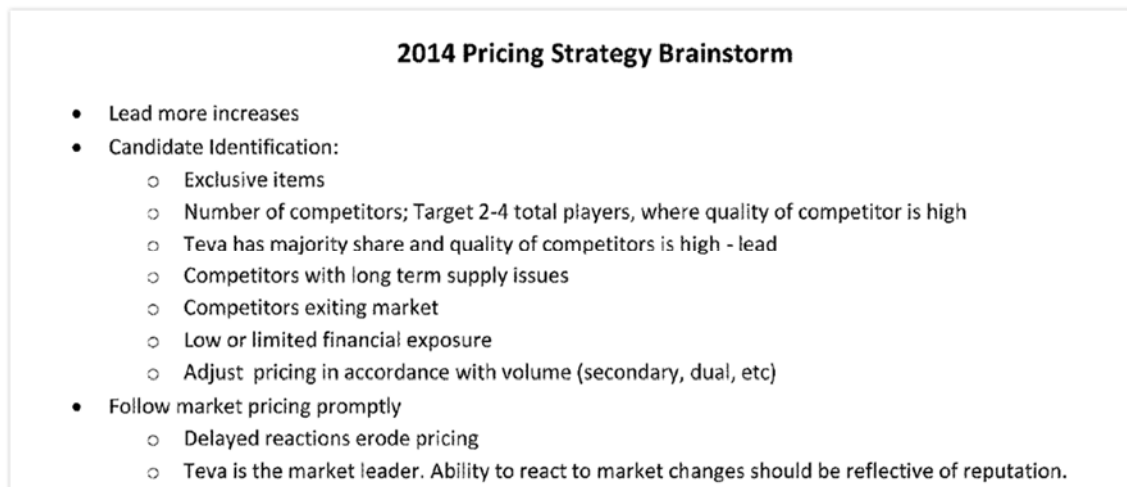
I. April 4, 2014 Price Increases

726. On April 4, 2014, Teva raised prices on twenty-two (22) different generic drugs. Again, nearly all of these increases were coordinated with a number of Teva’s high-quality competitors who by now were familiar co-conspirators, including Defendants Sandoz, Taro, Actavis, Mylan, and Lupin, and non-Defendant Greenstone. But for this price increase, Teva also began coordinating with some of what it regarded as “lesser-quality” competitors – such as Defendants Breckenridge and Versapharm, as well as Heritage⁸ and Rising – as new sources for anticompetitive agreements. For this price

⁸ The collusive relationship and interactions between Teva and Heritage described herein – including anticompetitive agreements relating to the drugs Nystatin, Theophylline, and others – are addressed in greater detail in UHS’s January 16, 2019 Complaint in *United HealthCare Services, Inc. v. Actavis Holdco U.S., Inc., et al.*, MDL No. 2724, 19-cv-00629-CMR (E.D. Pa.). Although Heritage is not named as a defendant in this

increase, Teva also decided to lead many more price increases – which was riskier for Teva and required even greater coordination with competitors.

727. Leading more price increases was part of a strategy that Patel memorialized in writing in January of 2014, documenting in many respects the successful strategy that she had implemented in 2013, focused on leveraging Teva’s collusive relationships with high-quality competitors. This strategy was well known, understood and authorized by individuals at much higher levels at Teva, including Cavanaugh and Rekenthaler, and Patel’s direct supervisor K.G. For example, on January 16, 2014, Patel sent a document to K.G. titled “2014 Pricing Strategy Brainstorm,” where she outlined her plan for implementing price increases:



728. Patel began planning for the next round of Teva price increases in early January 2014, shortly after returning to full-time status from maternity leave. On January 14, 2014, Patel sent K.G. a preliminary draft list of price “Increase Potentials Q1 2014.”

Complaint, the collusive relationship between Heritage and Teva is part of a larger pattern of conduct involving Teva and provides further support for the allegations herein.

She stated: “Attached is my list of potential items. Note that they still need to go through the review process.”

729. The initial list contained drugs sold by Actavis, Lupin and Greenstone, among others. Not surprisingly, Patel was communicating frequently with each of those competitors throughout December 2013 and into early January 2014.

730. On February 7, 2014, Patel created a formal list of “PI Candidates” in a spreadsheet. In the days leading up to February 7, Patel was feverishly coordinating by phone with a number of different competitors to identify price increase candidates, including at least the following:

Date	Call Type	Target Name	Direction	Contact Name	Duration
2/4/2014	Voice	Patel, Nisha (Teva)	Outgoing	Aprahamian, Ara (Taro)	0:23:21
2/4/2014	Voice	Patel, Nisha (Teva)	Outgoing	CW-5 (Glenmark)	0:00:00
2/4/2014	Voice	Patel, Nisha (Teva)	Outgoing	CW-5 (Glenmark)	0:00:10
2/4/2014	Voice	Patel, Nisha (Teva)	Outgoing	R.H. (Greenstone)	0:15:53
2/4/2014	Voice	Patel, Nisha (Teva)	Outgoing	Berthold, David (Lupin)	0:00:22
2/4/2014	Voice	Patel, Nisha (Teva)	Incoming	Berthold, David (Lupin)	0:10:04
2/4/2014	Voice	Patel, Nisha (Teva)	Outgoing	Malek, Jason (Heritage)	0:00:00
2/4/2014	Voice	Patel, Nisha (Teva)	Outgoing	Malek, Jason (Heritage)	0:00:29
2/5/2014	Voice	Patel, Nisha (Teva)	Outgoing	CW-1 (Sandoz)	0:00:11
2/5/2014	Voice	Patel, Nisha (Teva)	Outgoing	Rogerson, Rick (Actavis)	0:00:04
2/5/2014	Voice	Patel, Nisha (Teva)	Outgoing	R.H. (Greenstone)	0:00:04
2/5/2014	Voice	Patel, Nisha (Teva)	Incoming	Rogerson, Rick (Actavis)	0:30:28
2/5/2014	Voice	Patel, Nisha (Teva)	Incoming	Malek, Jason (Heritage)	1:02:06
2/6/2014	Voice	Patel, Nisha (Teva)	Outgoing	Rogerson, Rick (Actavis)	0:00:05
2/6/2014	Voice	Patel, Nisha (Teva)	Outgoing	Rogerson, Rick (Actavis)	0:00:00
2/6/2014	Voice	Patel, Nisha (Teva)	Outgoing	Rogerson, Rick (Actavis)	0:00:03
2/7/2014	Voice	Patel, Nisha (Teva)	Outgoing	S.C. (Breckenridge)	0:01:20
2/7/2014	Voice	Patel, Nisha (Teva)	Incoming	S.C. (Breckenridge)	0:04:53

731. Those efforts were successful. By February 26, 2014, Patel had a more refined list of “PI Candidates,” which she forwarded to another colleague for his review. That list included the following drugs and notes about each drug:

Family	Market Notes	Pricing Notes
Clarithromycin ER	Zydus exiting	Raise non-Cardinal customers in accordance with new Cardinal price
OCs	Secondary at ABC	Raise to non-primary pricing/within 10% of primary market sell-refer to Anda intel
Cephalexin OS		Follow Lupin - price points - WS net \$14.70, 23.52, 16.75, 25.13
Azith Susp		Follow GS - price points - WS net \$12.50 on all sku's
Medroxypro Tabs		Follow GS - price points - WS net 8.50, 9.50, 10.50 on 100s
Nadolol (Econdisc only)		Raise to originally planned increase price
Ethosuxamide Liquid	Shared only with Versa; test quality of competitor	
Ethosuxamide Caps	Shared only with Versa; test quality of competitor; UNPROFITABLE	
Cyproheptadine	Shared only with Breckenridge	Follow Breckenridge - price points - WS contract 55.10
Mimvey	Shared only with Breckenridge	Follow Breckenridge - price points - WS contract 96.30
BUDESONIDE	Exclusive	PER PRICING INFORMATION FROM DECEMBER
NIACIN ER	Exclusive but Lupin entering	PER PRICING INFORMATION FROM DECEMBER
Bumetanide	Teva exiting CHECK SALES FOR % INCREASE	Lead market with potential share loss in mind
Divalproex ER	UNPROFITABLE several competitors	
Diflunisal	Shared only with Rising	
Ketoconazole Cream	Shared with Taro and Sandoz	
Ketoconazole Tab	Shared with Taro, Myl and Apo	
Mupirocin Ointment	Shared with Perrigo, GM, Taro, Sandoz	
Theophylline Tab	Shared with Heritage, Major and Inwood	
Nystatin Tab	Shared with Heritage and Mutual/Caraco	
Hydroxyzine Pamoate	Shared with Sandoz and Actavis	
Pentoxil ER	Shared with Apo and Mylan	

Patel continued to refine the list over the next several weeks.

732. On March 17, 2014, Patel sent a near final version of the “PI Candidates” spreadsheet to K.G. with the statement: “Once you verify these are acceptable, we can finalize for the increase.” In a practice that had now become routine at Teva, Patel and Rekenhaller both were communicating frequently with competitors- in this case Taro, Lupin, Actavis, Greenstone, Zydus, Heritage, and Rising - to coordinate the price increases in the week before Patel sent the price increase list to K.G. At least some of those communications are reflected in the table below:

Date	Call Type	Target Name	Direction	Contact Name	Time	Duration
3/10/2014	Voice	Rekenthaler, David (Teva)	Outgoing	S.G. (Zydus)	7:46:00	0:02:00
3/10/2014	Voice	Rekenthaler, David (Teva)	Incoming	S.G. (Zydus)	8:23:00	0:16:00
3/10/2014	Voice	Patel, Nisha (Teva)	Outgoing	Aprahamian, Ara (Taro)	7:59:46	0:00:02
3/10/2014	Text	Patel, Nisha (Teva)	Outgoing	Aprahamian, Ara (Taro)	8:00:03	0:00:00
3/10/2014	Voice	Patel, Nisha (Teva)	Incoming	Aprahamian, Ara (Taro)	10:46:30	0:05:08
3/10/2014	Voice	Patel, Nisha (Teva)	Incoming	Malek, Jason (Heritage)	17:48:05	0:00:00
3/10/2014	Voice	Patel, Nisha (Teva)	Incoming	Malek, Jason (Heritage)	17:48:28	0:00:30
3/11/2014	Voice	Patel, Nisha (Teva)	Incoming	Berthold, David (Lupin)	9:25:06	0:06:25
3/11/2014	Voice	Rekenthaler, David (Teva)	Outgoing	Falkin, Marc (Actavis)	15:25:00	0:01:00
3/12/2014	Voice	Rekenthaler, David (Teva)	Outgoing	Falkin, Marc (Actavis)	12:36:00	0:03:00
3/12/2014	Voice	Rekenthaler, David (Teva)	Outgoing	Falkin, Marc (Actavis)	12:40:00	0:01:00
3/13/2014	Voice	Patel, Nisha (Teva)	Incoming	R.H. (Greenstone)	13:41:03	0:00:00
3/13/2014	Voice	Patel, Nisha (Teva)	Incoming	R.H. (Greenstone)	13:41:24	0:00:21
3/14/2014	Voice	Patel, Nisha (Teva)	Outgoing	Green, Kevin (Zydus)	8:05:47	0:00:00
3/14/2014	Voice	Patel, Nisha (Teva)	Outgoing	Berthold, David (Lupin)	8:07:44	0:20:38
3/14/2014	Voice	Patel, Nisha (Teva)	Incoming	Green, Kevin (Zydus)	8:35:27	0:00:00
3/14/2014	Voice	Patel, Nisha (Teva)	Outgoing	Green, Kevin (Zydus)	8:41:11	0:19:00
3/14/2014	Voice	Patel, Nisha (Teva)	Incoming	Rekenthaler, David (Teva)	9:00:43	0:10:43
3/14/2014	Voice	Patel, Nisha (Teva)	Outgoing	Berthold, David (Lupin)	9:11:50	0:07:54
3/14/2014	Voice	Patel, Nisha (Teva)	Incoming	Rogerson, Rick (Actavis)	9:53:49	0:00:00
3/14/2014	Voice	Patel, Nisha (Teva)	Incoming	Rogerson, Rick (Actavis)	9:54:11	0:00:22
3/14/2014	Voice	Patel, Nisha (Teva)	Outgoing	Rogerson, Rick (Actavis)	10:31:09	0:12:37
3/14/2014	Voice	Patel, Nisha (Teva)	Outgoing	Rogerson, Rick (Actavis)	12:36:59	0:05:31
3/14/2014	Voice	Rekenthaler, David (Teva)	Outgoing	Falkin, Marc (Actavis)	16:11:00	0:01:00
3/15/2014	Voice	Rekenthaler, David (Teva)	Outgoing	Falkin, Marc (Actavis)	10:27:00	0:11:00
3/17/2014	Voice	Patel, Nisha (Teva)	Incoming	Green, Kevin (Zydus)	8:57:19	0:05:53
3/17/2014	Voice	Patel, Nisha (Teva)	Outgoing	Green, Kevin (Zydus)	9:06:23	0:05:04
3/17/2014	Voice	Rekenthaler, David (Teva)	Outgoing	Falkin, Marc (Actavis)	10:23:00	0:07:00
3/17/2014	Voice	Patel, Nisha (Teva)	Incoming	Berthold, David (Lupin)	10:26:51	0:07:44
3/17/2014	Voice	Patel, Nisha (Teva)	Outgoing	R.H. (Greenstone)	10:40:04	0:00:05
3/17/2014	Voice	Rekenthaler, David (Teva)	Outgoing	CW-2 (Rising)	10:44:00	0:05:00
3/17/2014	Voice	Rekenthaler, David (Teva)	Outgoing	CW-2 (Rising)	10:56:00	0:03:00
3/17/2014	Voice	Patel, Nisha (Teva)	Outgoing	Aprahamian, Ara (Taro)	11:07:35	0:00:01
3/17/2014	Text	Patel, Nisha (Teva)	Outgoing	Aprahamian, Ara (Taro)	11:08:08	0:00:00
3/17/2014	Voice	Rekenthaler, David (Teva)	Outgoing	Green, Kevin (Zydus)	11:17:00	0:20:00
3/17/2014	Voice	Patel, Nisha (Teva)	Incoming	R.H. (Greenstone)	11:35:28	0:15:25
3/17/2014	Voice	Patel, Nisha (Teva)	Outgoing	Rogerson, Rick (Actavis)	11:53:08	0:00:00
3/17/2014	Voice	Patel, Nisha (Teva)	Outgoing	Rogerson, Rick (Actavis)	11:53:31	0:00:05
3/17/2014	Voice	Patel, Nisha (Teva)	Incoming	Rogerson, Rick (Actavis)	12:17:50	0:00:00
3/17/2014	Voice	Patel, Nisha (Teva)	Incoming	Rogerson, Rick (Actavis)	12:18:13	0:00:22
3/17/2014	Voice	Patel, Nisha (Teva)	Outgoing	Rogerson, Rick (Actavis)	12:19:10	0:19:13
3/17/2014	Voice	Patel, Nisha (Teva)	Incoming	Aprahamian, Ara (Taro)	12:36:50	0:00:00
3/17/2014	Voice	Patel, Nisha (Teva)	Outgoing	Aprahamian, Ara (Taro)	12:38:42	0:09:51
3/17/2014	Voice	Patel, Nisha (Teva)	Outgoing	Green, Kevin (Zydus)	16:46:25	0:11:13

Rekenthaler had also previously spoken with his contact at Versapharm – J.J., a senior national accounts executive – on January 22, 2014 (a five (5) minute call) and March 7,

2014 (a three (3) minute call) to secure Versapharm's agreement to follow the Teva increase on two drugs. Those were the only two identified telephone calls between Rekenthaler and J.J. since 2012. As discussed more fully below, Versapharm followed with its own price increase shortly after the Teva increase.

733. In the days leading up to the price increase, Rekenthaler asked Patel for a list of drugs and competitors associated with each of the increase items so that he could confirm that Teva had successfully coordinated increases with everyone. On April 1, 2014, Patel responded by providing a list of only those drugs where Teva was leading the price increase – i.e., the drugs with the most risk if Teva did not secure an agreement beforehand with a competitor before raising its own price.

734. Satisfied that Patel and Rekenthaler had confirmed agreement with all the appropriate competitors, on April 4, 2014 Teva increased pricing on various dosage strengths of the following drugs:

Product Description	Lead/Follow	Competitors
AZITHROMYCIN ORAL SUSPENSION	Follow	Greenstone
AZITHROMYCIN SUSPENSION	Follow	Greenstone
BUMETANIDE TABLETS	Lead	Sandoz
CEPHALEXIN SUSPENSION	Follow	Lupin
CLARITHROMYCIN ER TABLETS	Follow	Actavis; Zydus
CYPROHEPTADINE HCL TABLETS 4MG 100	Follow	Breckenridge
DICLOXACILLIN SODIUM CAPSULES	Lead	Sandoz
DIFLUNISAL TABLETS	Lead	Rising
ESTAZOLAM TABLETS	Follow	Actavis
ETHOSUXIMIDE CAPSULES	Lead	Versapharm
ETHOSUXIMIDE ORAL SOLUTION	Lead	Versapharm
HYDROXYZINE PAMOATE CAPSULES	Lead	Sandoz; Actavis
KETOCONAZOLE CREAM 2%	Lead	Taro; Sandoz
KETOCONAZOLE TABLETS	Lead	Taro; Mylan
MEDROXYPROGESTERONE TABLETS	Follow	Greenstone
MIMVEY (ESTRADIOL/NORETH) TAB	Follow	Breckenridge
NYSTATIN ORAL TABLETS	Lead	Heritage; Mutual
PENTOXIFYLLINE TABLETS	Lead	Apotex; Mylan
TAMOXIFEN CITRATE TABLETS	Follow	Actavis
THEOPHYLLINE ER TABLETS 100MG 100	Lead	Heritage

735. These price increases were all coordinated and agreed to between Teva and its competitors. As was now their standard procedure, Patel and/or Rekenthaler communicated directly with all of their key competitors in the days and weeks leading up to the increase. Many of those communications are set forth in the graphic below:

even coordinate with each other regarding who would communicate with Berthold, and take turns doing so.

738. As of late October, 2013, however, neither of those options was available to Berthold. Patel was out of the office on maternity leave, and Green had left Teva to join Zydus as of October 23, 2013.

739. This did not deter Berthold; he merely went further down the Teva organizational chart to find a Teva executive to communicate with. The ongoing understanding between Teva and Lupin was institutional, not dependent upon a relationship between specific individuals. So in October 2013, when Lupin decided to raise price on Cephalexin Oral Suspension – a drug where Teva was the only other competitor in the market – Berthold already knew that Teva would follow the increase.

740. On October 14, 2013, Berthold called Rekenhaller at Teva. They ultimately spoke for sixteen (16) minutes that day. Communication was rare between those two executives. Prior to October 14, 2013, the last (and only) time they had spoken by phone was November 21, 2011 according to the phone records produced.

741. On October 31, 2013 – the day before Lupin was scheduled to increase its price on Cephalexin Oral Suspension – Berthold also called T.S., a national account executive at Teva, to notify Teva of the price increase. He called T.S. at 9:18am that morning and left a message. T.S. returned the call at 9:57am, and the two spoke for nearly five (5) minutes.

742. Within minutes after hanging up the phone with Berthold, T.S. notified others internally at Teva about the substantial increase Lupin was about to take:

From: [REDACTED]
 Sent: Thursday, October 31, 2013 10:08 AM

To: [REDACTED] Dave Rekenthaler

Cc: [REDACTED] Nisha Patel02; [REDACTED]

Subject: LUPIN PRICE INCREASE - Cephalexin Oral Suspension

I have heard the Lupin is implementing a price increase today on Cephalexin Oral Suspension (4-6 x's current price)

Teva has 59% market share; Lupin has 37% market share.

The Lupin increase on Cephalexin Oral Suspension actually became effective the next day, November 1, 2013 – demonstrating that T.S. had advance knowledge of the increase. Shortly thereafter, T.S. followed up her own e-mail with specific price points that Lupin would be charging for Cephalexin.

743. K.G. of Teva responded later that day, asking: “Did Lupin increase the Caps as well?” Rekenthaler answered immediately, with information he had learned from Berthold in mid-October: “Lupin did not increase the caps, only the susp[ension].”

744. On November 22, 2013, a large customer requested a bid from Teva on Cephalexin due to the Lupin price increase. T.S. forwarded the e-mail from the customer to Rekenthaler and others with the suggestion that, because Teva already had the majority share, it should not bid for the business. K.G. agreed, and simultaneously forwarded the e-mail to Patel stating: “Nisha, let’s add this to our list to discuss.” Patel called Berthold the same day and left a message.

745. And discuss they did. When Patel drafted her initial list of possible price increase candidates and forwarded it to K.G. in January 2014, Cephalexin Oral

Suspension was on the list. Patel coordinated the increase consistently with Berthold throughout the period.

746. On April 4, 2014, Teva raised its WAC prices on Cephalexin Oral Suspension to match Lupin's prices exactly. The increases to the WAC price ranged from 90% - 185%, depending on the formulation.

ii. *Greenstone (Azithromycin Oral Suspension, Azithromycin Suspension, and Medroxyprogesterone Tablets)*

747. In November 2013, Greenstone began planning to increase prices on several drugs, including some that overlapped with Teva: Azithromycin Oral Suspension, Azithromycin Suspension and Medroxyprogesterone Tablets. Patel and R.H., a national account executive at Greenstone, were communicating frequently during that time, including exchanging six (6) text messages on November 16, 2013 and a phone call on November 23, 2013. Because Greenstone was a high-quality competitor, and because the companies had successfully conspired to raise prices previously, it was understood between the two that if Greenstone raised prices Teva would follow and would not seek to poach Greenstone's customers after the increase.

748. On December 2, 2013 - the same day that Greenstone was slated to send out notices of the price increases to its customers - Patel spoke to R.H. at Greenstone three times within a span of twenty (20) minutes, as set forth below:

Date	Call Type	Target Name	Direction	Contact Name	Time	Duration
12/2/2013	Voice	Patel, Nisha (Teva)	Outgoing	R.H. (Greenstone)	14:02:54	0:00:05
12/2/2013	Voice	Patel, Nisha (Teva)	Incoming	R.H. (Greenstone)	14:10:13	0:06:09
12/2/2013	Voice	Patel, Nisha (Teva)	Incoming	R.H. (Greenstone)	14:18:50	0:01:37

749. After the last of those three calls, Patel sent an e-mail to several colleagues at Teva notifying them of an impending Greenstone price increase - one that would not be effective for another month:

From: Nisha Patel02
 Sent: Mon 12/02/2013 2:23 PM (GMT-05:00)
 To: [REDACTED]
 Cc: [REDACTED], Dave Rekenhaler
 Bcc:
 Subject: Azithro OS Price Increase

FYI, I'm hearing that Greenstone just announced an increase on Azithromycin Oral Suspensions, effective January 1st. Please take this into consideration for bid requests we may receive.

750. On December 5, 2013, Patel continued to communicate with R.H. about the Greenstone increases, and how Teva would react to unsolicited customer requests for bids – trading two voicemails. The next day, Patel sent another e-mail to K.G. about Azithromycin Suspension:

From: Nisha Patel02
 Sent: Fri 12/06/2013 11:33 AM (GMT-05:00)
 To: [REDACTED]
 Cc:
 Bcc:
 Subject: Azithro Susp Question

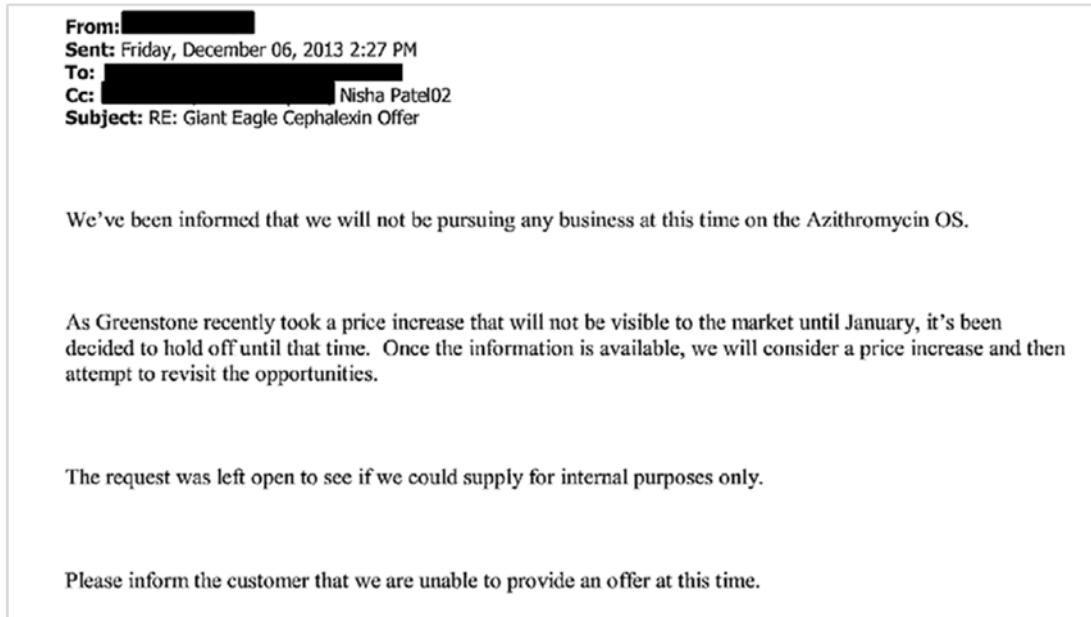
[REDACTED]

I mentioned earlier in the week that Greenstone took an increase that is effective January 1st. (As a reminder, I intend to add these items to my list of potential price increases for Q1 2014.)

Since the new pricing requires a WAC increase, I am inclined to decline to bid at this time. Further, in a 2 player market, we have 54% share and this includes a gain of ~4% in June.

Do you agree with the "decline to bid at this time" approach?

K.G. agreed with Patel's recommendation. Later that day, J.L. of Teva sent the following notice to several Teva colleagues:



That same day, Teva declined to bid on Azithromycin at multiple customers.

751. Over the next several months – during the period of time before Teva followed Greenstone's price increases – Teva continued to refuse to bid (and avoid taking Greenstone's market share) when requested by customers, for both Azithromycin formulations and Medroxyprogesterone Tablets. For example, on January 27, 2014, Teva was approached by a large wholesaler asking for bids on both Azithromycin Suspension and Medroxyprogesterone due to a "Change in Market Dynamics." After speaking with R.H. of Greenstone for more than five (5) minutes that same day, Patel agreed with the recommendation not to provide a bid to that customer.

752. Similarly, on March 17, 2014 – which was the same day that Patel sent a nearly final price increase list to K.G. – Teva was approached by another wholesaler

requesting a lower price for Azithromycin Oral Suspension. A national account executive at Teva asked Patel: “Can we provide any better pricing than Greenstone? . . . I know we have picked up our target share.” Patel had spoken with R.H. of Greenstone twice earlier that day, including one call lasting more than fifteen (15) minutes. Patel’s response to the national account executive was: “Let’s talk tomorrow.”

753. Consistent with the understanding between the two companies, Teva followed Greenstone’s price increases for Azithromycin Oral Suspension, Azithromycin Suspension and Medroxyprogesterone Tablets on April 4, 2014. Patel spoke twice with R.H. from Greenstone that same day.

iii. Actavis (Clarithromycin ER Tablets, Tamoxifen Citrate and Estazolam)

754. Teva and Actavis were coordinating about several drugs increased by Teva on April 4, 2014. One of them was Clarithromycin ER Tablets. As of December 2013, Teva, Actavis and Zydus were the only three generic manufacturers actively selling Clarithromycin ER.

755. On December 30, 2013, however, Cardinal approached Teva looking for a bid on Clarithromycin ER because Zydus was exiting the market. Teva informed Cardinal that it would not have adequate supply to be able to take on this additional market share until April 2014, but if Cardinal could wait until then for Teva to supply, Teva would make an offer. Cardinal agreed.

756. The Cardinal bid request was forwarded to Patel on the morning of January 2, 2014. At 9:37am that morning, L.R., a customer marketing manager at Teva, suggested

providing an offer to Cardinal at “10% under market intel pricing for [the] Watson/Actavis product.” L.R. also stated: “[i]f Cardinal is willing to wait until April, I suspect that Actavis isn’t interested in picking up a lot of additional share.”

757. Immediately after receiving that e-mail, at 9:40am, Patel called Rogerson at Actavis and the two spoke for more than seventeen (17) minutes. Shortly after hanging up the phone with Rogerson, at 10:12am, Patel responded to the e-mail, saying: “I think we have an opportunity to go higher. Let’s aim for around \$148 net and request feedback.”

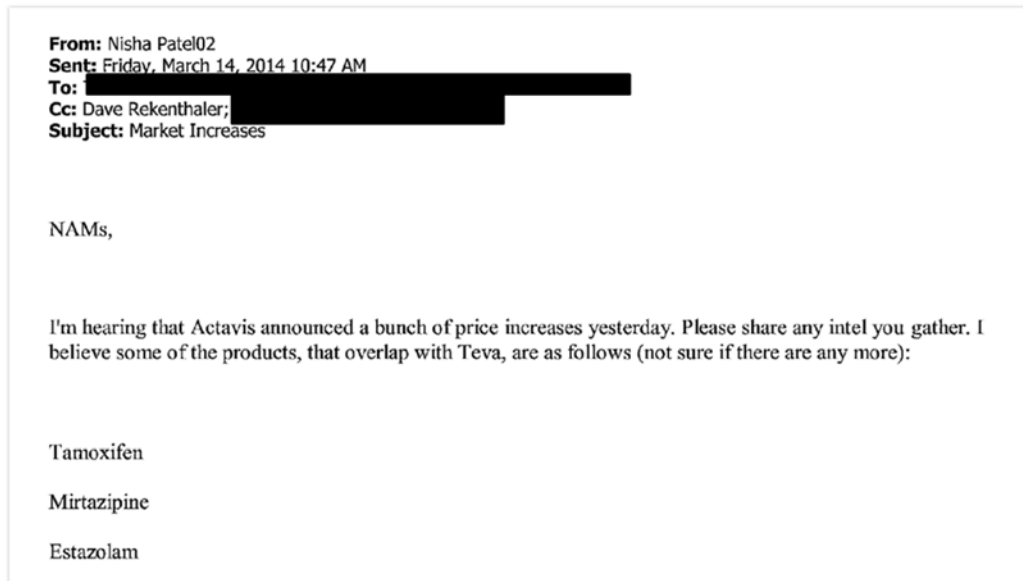
758. On January 9, 2014, Teva learned that Cardinal had accepted Teva’s bid at the higher price. At 9:19am that morning, Patel called Rogerson at Actavis and they spoke for more than six (6) minutes. Shortly after that call, at 9:45am, Patel sent an e-mail internally at Teva stating: “It looks like Cardinal accepted our bid at the higher price. We may have an opportunity to take some increases.”

759. When Patel sent her supervisor the initial list of “Increase Potentials Q1 2014” on January 14, 2014, Clarithromycin ER was on the list.

760. Similarly, in March, 2014, Actavis implemented its own price increase on several other drugs, including some that overlapped with Teva. Consistent with the ongoing understanding between these high-quality competitors, Actavis understood that Teva would follow the increases or, at a minimum, would not poach Actavis customers after the increase.

761. Following a now very familiar pattern, at 9:54am on March 14, 2014 Rogerson called Patel and left a message. Patel called Rogerson back at 10:31am, and the

two spoke for more than twelve (12) minutes. Within minutes after hanging up with Rogerson, Patel informed others at Teva about the Actavis increase:



In actuality, these increases would not become effective until April 15, 2014, again demonstrating that Teva knew in advance of its competitors' price increase plans.

762. Within half an hour of sending that e-mail, Patel instructed colleagues to add the Actavis drugs to the Teva price increase list. She added: "We intend to follow where we can."

763. Less than two hours later, at 12:37pm, Patel called Rogerson again. They spoke for more than five (5) minutes. Shortly after hanging up the phone, at 12:51pm, Patel wrote another e-mail to certain colleagues at Teva, stating: "Actavis took an increase. We will follow. We need to review price per my alert list. Let's wait to see what intel we can get and discuss Monday."

764. First thing the next business day – which was the following Monday, March 17, 2014 – Patel forwarded the "PI Candidates" list to K.G. at Teva. The list

included both Tamoxifen Citrate and Estazolam. Later that morning, Patel called Rogerson. After quickly exchanging voicemails, they spoke for more than nineteen (19) minutes. Rekenthaler of Teva and Falkin of Actavis also exchanged four (4) text messages that day, and had one call lasting more than six (6) minutes.

765. Teva followed the Actavis price increases on Tamoxifen Citrate and Estazolam less than three weeks later, on April 4, 2014. Patel and Rogerson spoke twice by phone that day. Rekenthaler and Falkin also spoke by phone that day. Because Teva was able to follow the price increase so quickly, Teva's increase became effective even before the Actavis price increase for those drugs.

766. After the price increases became effective, Teva took consistent steps not to disrupt the market or steal market share from Actavis. For example, on May 14, Patel declined to bid at ABC on both Tamoxifen Citrate and Estazolam, stating: "unable to bid (strategic reasons, for internal purposes)." When Patel and her other conspirators at Teva used the term "strategic" in this context, it was code for the fact that there was an understanding in place with a competitor.

767. Similarly, on May 21, 2014, Teva received a request from a large customer for a bid on Tamoxifen Citrate. As of that date, Teva had 58.4% of the market, and Actavis had 40.7%. A Teva analyst forwarded the request to Patel and others, recommending (pursuant to the fair share understanding in the industry) that Teva not bid "as we are first in a two-player market with good share already." Patel responded: "Agree. We should decline to bid."

iv. *Multiple Manufacturers (Ketoconazole Cream and Tablets)*

768. Patel identified Ketoconazole Cream and Ketoconazole Tablets as price increase candidates sometime in February 2014. They were not listed on her original “Increase Potentials” list that she sent to K.G. on January 14, 2014, but they were on the list of “PI Candidates” that she sent to a colleague on February 26, 2014, with the following notes about each:

Ketoconazole Cream	Shared with Taro and Sandoz
Ketoconazole Tab	Shared with Taro, Myl and Apo

769. Taro was a common competitor on both drugs, but there were different sets of competitors for each formulation. For Ketoconazole Cream, Teva’s competitors were Taro and Sandoz. For Ketoconazole Tablets, Teva’s competitors were Taro, Mylan and Apotex.

770. Teva led the price increases for both drugs, but made sure to coordinate with all of its competitors before (and as it was) doing so. On April 4, 2014 – the day of the increases – Patel spoke separately with both Aprahamian of Taro and CW-1 of Sandoz. During each call, she let them know that Teva was increasing the price of Ketoconazole. The same day, Rekenhalter spoke to Nesta of Mylan; he had previously communicated with J.H., a senior sales executive at Apotex, on March 20 and 25, 2014.

771. On Ketoconazole Cream, co-conspirators at Taro and Sandoz were also communicating directly with each other. On April 4, 2014, for example, Aprahamian spoke to CW-3 at Sandoz for nineteen (19) minutes. They discussed the Teva increase

and the fact that Taro would follow. CW-3 then sent an e-mail internally at Sandoz, alerting colleagues of the price increase and conveying information about Taro's price increase plans:

From: [REDACTED]
Sent: Friday, April 04, 2014 3:01 PM
To: [REDACTED]; Kellum, Armando; [REDACTED]
Subject: Ketoconazole Cream Price Increase

As an FYI, Teva increased contract price and WAC on Keto Cream yesterday (tripled). Taro will more than likely follow shortly. We should determine if Teva had additional increases yesterday as well.

CW-1 at Sandoz immediately told his colleagues not to bid on any new opportunities for the drugs, and instead put the products on "strict allocation" until Sandoz determined how to proceed.

772. That same day, Aprahamian sent a similar e-mail internally to his colleagues at Taro.

773. The following Monday, April 7, 2014, Taro received a request from a customer – the Minnesota Multistate Contracting Alliance for Pharmacy ("MMCAP"), seeking a competitive bid on Ketoconazole Tablets due to the Teva price increase. After reviewing the request, a Taro sales executive sent an internal e-mail stating: "we are not going to bid this product. . . . Taro has 27% share in a 4-player market." In a follow-up e-mail, E.G., a Director of Corporate Accounts at Taro, confirmed that Taro would decline to bid, but indicated that Taro would need to lie about the reason: "Yes, we are declining, but we need to advise its [sic.] due to supply."

774. Four days after the Teva increase, on April 8, 2014, Aprahamian called Patel and the two spoke for more than nineteen (19) minutes. Later that same day, he

initiated a price increase for all of Taro's customers on both the Ketoconazole Cream and the Tablets. Aprahamian directed that the notice letters be sent to customers on April 16, 2014, with an effective date of April 17, 2014.

775. Although Sandoz immediately understood that it would follow these price increases, it was not able to implement them until October. The delay was due to the fact that Sandoz had contracts with certain customers that contained price protection terms which would impose substantial penalties on Sandoz if it increased its prices at that time – and those penalties would have caused Sandoz to miss certain financial targets during the months after April 2014. At Sandoz, senior management held monthly budget meetings where they analyzed whether it made financial sense to implement a particular price increase. In this case, the ramifications of the price protection terms did not make sense for Sandoz to follow until October 2014.

776. In the months after the Teva and Taro increases, Teva held up its end of the agreement not to poach its competitors' customers. For example, on May 14, 2014, Teva was approached by Cardinal requesting a bid due to the Taro increase. The e-mail from Cardinal was forwarded to Patel, who responded immediately:

From: Nisha Patel02
Sent: Wed 5/14/2014 10:05 AM (GMT-05:00)
To: [REDACTED]
Cc: [REDACTED]
Bcc:
Subject: RE: Cardinal Ketoconazole CR NBO # 11796

Unable to bid at this time. For internal purposes, it is for strategic reasons.

Shortly before sending the e-mail, Patel exchanged several text messages with Aprahamian at Taro. She would ultimately exchange eight (8) text messages and had one phone call lasting more than four (4) minutes with Aprahamian on that day.

777. Later that same day, Patel also directed that Teva decline to bid for Ketoconazole at ABC, citing the same logic: “unable to bid (strategic reasons, for internal purposes).”

778. Sandoz ultimately followed the Teva and Taro increases for Ketoconazole Cream on October 10, 2014. That same day, Patel and CW-1 at Sandoz spoke for more than three (3) minutes.

779. The Teva increases on Ketoconazole were significant. For the cream, Teva, Taro and Sandoz all increased the WAC price by approximately 110%. For the tablets, Teva’s WAC increases were approximately 250%, but its customer price increases were substantially larger – averaging 528%.

v. New Relationships Emerge

780. By early 2014, the generic drug industry was in the midst of a price increase explosion. In an internal Teva presentation given shortly after the April 2014 price increases – titled “2014 US Pricing Strategy” – Teva reflected on the current state of the industry, noting that the “[c]ompetitive landscape is supportive of price increases.” In commenting on the future implications for Teva’s pricing strategy, the company stated: “Mature competitors participate in price appreciation; immature competitors are starting to follow.”

781. Understanding that many more competitors were enthusiastic about conspiring to raise prices, Teva began to develop new and additional relationships with certain competitors when implementing its April 4, 2014 price increases. Some illustrative examples are set forth below.

(a) Breckenridge

782. One of those new co-conspirators was Defendant Breckenridge. Patel already had a relationship with S.C., a senior sales executive at Breckenridge, and Rekenhaller had a relationship with D.N., another senior sales executive at Breckenridge, so Breckenridge was a prime candidate to coordinate pricing.

783. On November 14, 2013, Breckenridge increased its pricing on both Estradiol/Norethindrone Acetate Tablets (“Mimvey”) and Cyproheptadine HCL Tablets.⁹ For Cyproheptadine, Breckenridge increased its WAC pricing by as high as 150%, and raised its customer contract pricing even higher – 400%. The increases to Mimvey were a more modest 20-27% for both the WAC and customer pricing.¹⁰

784. In the weeks leading up to those increases – when Patel was still out on maternity leave – Rekenhaller had several phone calls with D.N. at Breckenridge to coordinate the price increases. The two spoke twice on October 14, 2013 and had a

⁹ Breckenridge had acquired the ANDA for Cyproheptadine HCL Tablets in September 2013 from another manufacturer, and immediately sought to raise the prices previously charged by the prior manufacturer as it began to sell the product under its own label.

¹⁰ As discussed above in Section IV.B.2.a, Defendants Teva and Breckenridge had previously coordinated with regard to a price increase on Mimvey on July 31, 2012.

twenty-six (26) minute call on October 24, 2013. After those calls, they did not speak again until mid- January 2014, when Teva began preparing to implement its increase.

785. Over the next several months – during the period of time before Teva was able to follow the Breckenridge price increases – Teva followed the “fair share” understanding to the letter.

786. With respect to Cyproheptadine HCL, Teva had approximately 54% market share in a two-player market. For that drug, Teva consistently refused to bid or take on any additional market share after the Breckenridge increase. For example, on February 7, 2014, a customer gave Teva an opportunity to pick up new business on Cyproheptadine. When she learned the news, Patel called S.C. at Breckenridge. They ended up speaking twice that day – the first and only phone calls ever between them. After speaking to S.C., Patel sent the following e-mail regarding the customer’s request:

From: Nisha Patel02
Sent: Fri 2/07/2014 2:46 PM (GMT-05:00)
To: [REDACTED]
Cc: [REDACTED]
Bcc: [REDACTED]
Subject: RE: Possible Indirect Additions - Safeway # 10769, 70, 71 & 72

Let's hold off on providing a bid. We can provide a bid when we are in a position to do so (post increase).

787. With regard to Mimvey, however, Teva only had 19% market share in a two- player market. For that drug, Teva sought to pick a few customers to level the playing field – before raising its own prices to follow Breckenridge.

788. On April 4, 2014, Teva followed the Breckenridge price increases with substantial increases of Mimvey (contract increases of as much as 393%) and

Cyproheptadine HCL Tablets (contract increases of as much as 526%). In addition, Teva increased the WAC price on Mimvey (Estradiol/Norethindrone Acetate Tablets) by 26% and the WAC price on Cyproheptadine HCL Tablets by as much as 95% — to exactly match Breckenridge’s WAC price on both products.

(b) Rising

789. Rising became a more appealing potential co-conspirator when CW-2, who had formerly been employed at Sandoz, left to join Rising in August 2013. Rekenthaler had known CW-2 for many years, going back to when they both worked together at Teva several years prior.

790. Of the drugs on the Teva April 4, 2014 price increase list, Rising was a competitor on Diflunisal. For that drug, Rising had 21% market share in a two-player market with Teva as of March 2014.

791. Rekenthaler spoke to CW-2 of Rising on December 5, 2013 for fourteen (14) minutes. When Patel sent her initial list of “Increase Potentials” to K.G. on January 14, 2014, Diflunisal was on the list, with Teva expecting to lead the increase.

792. Teva and Rising continued to coordinate the increase over the next several months. For example, when Patel sent a nearly final list of “PI Candidates” to her supervisor K.G. on March 17, 2014, she included the following notation about Diflunisal:

Diflunisal	Shared only with Rising
------------	-------------------------

That same day, Rekenthaler spoke with CW-2 twice. During those calls, CW-2 informed Rekenthaler that Rising was having supply problems for Diflunisal and might be exiting

the market at some point in the future. CW-2 confirmed that it would be a good opportunity for Teva to take a price increase.

793. Rekenthaler and CW-2 spoke once again on March 31, 2014, shortly before the Teva price increase for Diflunisal. On April 4, 2014, Teva increased its WAC pricing on Diflunisal by as much as 30%, and its contract pricing by as much as 182% for certain customers.

794. Rising ultimately exited the Diflunisal market for a short period of time starting in mid-July 2014. When Rising decided to exit the market, CW-2 called Rekenthaler to let him know. Four months later – when Rising’s supply problems were cured – Rising re-entered the market for Diflunisal. Consistent with the fair share principles and industry code of conduct among generic drug manufacturers discussed more fully above, CW-2 and Rekenthaler spoke by phone on several occasions in advance of Rising’s re-entry to identify specific customers that Rising would obtain and, most importantly, to retain the high pricing that Teva had established through its price increase on April 4, 2014. On December 3, 2014, Rising re-entered the market for Diflunisal Tablets. Its new pricing exactly matched Teva’s WAC price increase from April 2014.

(c) *Versapharm*

795. On the April 4, 2014 Teva price increase list, Defendant Versapharm was a competitor on two different drugs: Ethosuximide Capsules and Ethosuximide Oral Solution.

796. When Patel began creating the price increase list, neither of these drugs was considered a candidate for an increase. For example, when Patel sent her initial “Increase Potentials” list to K.G. in mid-January 2014, neither drug was on the list.

797. Versapharm was not considered a high-quality competitor. When Patel created the quality competitor rankings in May 2013, Versapharm was given a -2 score in the rankings. That did not stop Rekenthaler, however, from calling J.J., a senior national account executive at Versapharm, and speaking for five (5) minutes on January 22, 2014. When Patel sent the next “PI Candidate” list to a colleague on February 26, 2014 – Ethosuximide Capsules and Oral Solution were both on the list, with the following notation:

Ethosuxamide Liquid	Shared only with Versa; test quality of competitor
Ethosuxamide Caps	Shared only with Versa; test quality of competitor; UNPROFITABLE

798. Rekenthaler called again and spoke with J.J. at Versapharm on March 7, 2014. Teva then raised prices on both drugs on April 4, 2014. For Ethosuximide Capsules, Teva raised its WAC price by 87%, and its contract prices by up to 322%. For Ethosuximide Oral Solution, Teva raised its WAC price by 20% and its contract prices by up to 81%.

799. If Versapharm was being tested by Patel and Teva, it passed with flying colors. On April 9, 2014 – only five days after the Teva increase – Versapharm increased its pricing on both Ethosuximide Capsules and Oral Solution to a nearly identical price to Teva.

800. Following their agreement on those two drugs, and with no reason to speak further, Rekenthaler and J.J. of Versapharm never spoke by phone again.

vi. Impact

801. A few weeks after Teva's April 4, 2014 price increases went into effect, Patel calculated the impact to Teva's net sales as a result of the April 4 increase. Based on her analysis, she found that the April 4, 2014 price increases resulted in a net increase in sales to Teva of \$214,214,338 per year.

m. April 15, 2014 Price Increase (Baclofen)

802. Baclofen, also known by the brand names Gablofen and Lioresal, is a muscle relaxant used to treat muscle spasms caused by certain conditions such as multiple sclerosis and spinal cord injury or disease. It is generally regarded as the first choice by physicians for the treatment of muscle spasms in patients with multiple sclerosis.

803. Effective February 21, 2014, Defendant Upsher-Smith took a significant price increase on Baclofen, ranging from 350 - 420% to the WAC price, depending on the formulation. Prior to the increase, Baclofen was not a profitable drug for Upsher-Smith, and Upsher-Smith was considering whether to exit the market or significantly raise price. It chose the latter.

804. The primary competitors in the market for Baclofen at this time were Teva (62.4%), Qualitest (22.5%), and Upsher-Smith (6.8%).

805. Teva initially considered following the Upsher-Smith price increase quickly, as part of its April 4, 2014 price increases – but decided against it. The primary

reason was that Qualitest was in the market, and Teva considered Qualitest a “low-quality” competitor. In other words, Qualitest would likely compete for market share if Teva increased its price.

806. Starting on April 10, 2014, however, Teva learned that Qualitest was having supply problems, and could exit the market for at least 3-4 months, if not permanently.

807. Upon learning that the only significant remaining competitor in the market would now be Upsher-Smith – a high-quality competitor – Teva immediately decided to follow the price increase. Patel asked one of her direct reports to start working up price increase scenarios for Baclofen that same day.

808. Upsher-Smith was a highly-ranked competitor by Patel (+2) in large part because of Patel’s relationship and understanding with B.L., a national account executive at Upsher-Smith. In the week before she started her employment at Teva (after leaving her previous employment), Patel and B.L. exchanged several text messages. During her first week on the job, as she was beginning to identify price increase candidates and high quality competitors, Patel spoke to B.L. on April 29, 2013 for nearly twenty (20) minutes. During these initial communications, Patel and B.L. reached an understanding that Teva and Upsher-Smith would follow each other’s price increases, and not compete for each other’s customers after a price increase. Their agreement was further cemented in June and July 2013, when the two competitors agreed to substantially raise the price of Oxybutynin Chloride.

809. There was no need for the two competitors to communicate directly in this situation because it was already understood between them that Teva would follow an Upsher-Smith price increase based on Patel's prior conversations with B.L., and based on the history of collusion between the two competitors.

810. Effective April 15, 2014, Teva raised its WAC and SWP pricing to match Upsher-Smith's pricing exactly. Teva increased its WAC pricing from 350% – 447%, depending on the dosage strength. Teva would not have increased its prices on Baclofen unless it had an understanding in place with Upsher-Smith.

811. Pursuant to the agreement between the companies, Teva did not seek to take any customers from Upsher-Smith during the time period after Upsher-Smith's increase and before Teva could follow. Even after Teva's increase, when Qualitest customers approached Teva for a bid due to Qualitest's supply problems, Teva deferred to Upsher-Smith. As Patel told K.G. in a June 11, 2014 e-mail: "Dynamics have changed, but I think we need to see if Upsher wants to pick up share. We have an unreasonably high share." K.G. agreed: "I think this is the right thing to do. . . . we should just give them a high bid."

812. Upsher-Smith, on the other hand, was able to secure several new customers as a result of the Qualitest exit. In short order, Baclofen became a very profitable product for Upsher-Smith. On April 18, 2014 – only three days after the Teva price increase – J.M., a Senior Director of Sales and Marketing at Upsher-Smith, made the following pronouncement:

> On Apr 18, 2014, at 3:07 PM, [REDACTED]@upsher-smith.com> wrote:
 >
 > Qualitest is out. Teva matched our pricing. Bac is our newest ~\$20M product.
 >
 > [REDACTED]
 > Sent from my iPhone
 >

813. Only two months later, Lannett would enter the market at the same WAC prices as Teva and Upsher-Smith. As discussed more fully above in Section IV.C.1.j., Teva and Lannett colluded so that Lannett could enter the market seamlessly without significantly eroding the high prices in the market.

n. July 1, 2014 Price Increase (Fluocinonide)

814. Fluocinonide, also known by the brand name Lidex, is a topical corticosteroid used for the treatment of a variety of skin conditions, including eczema, dermatitis, psoriasis, and vitiligo. It is one of the most widely prescribed dermatological drugs in the United States.

815. There are several different formulations of Fluocinonide including, among others: Fluocinonide 0.05% cream, Fluocinonide 0.05% emollient-based cream, Fluocinonide 0.05% gel and Fluocinonide 0.05% ointment. As of June 2014, Teva, Taro and Sandoz were the only three manufacturers actively selling any of the four Fluocinonide formulations mentioned above. On June 11, 2014, Teva identified the market-share breakdown for each of the different formulations of those drugs as follows:

Product Description	Teva Market Share	Market Data
FLUOCINONIDE CREAM 0.05% 15GM	12.7%	Taro 87.2%
FLUOCINONIDE CREAM 0.05% 30GM	12.7%	Taro 87.2%
FLUOCINONIDE CREAM 0.05% 60GM	12.7%	Taro 87.2%
FLUOCINONIDE CREAM-E 0.05% 15GM	29.2%	Taro 69.5%; Sandoz 1.3%
FLUOCINONIDE CREAM-E 0.05% 30GM	29.2%	Taro 69.5%; Sandoz 1.3%
FLUOCINONIDE CREAM-E 0.05% 60GM	29.2%	Taro 69.5%; Sandoz 1.3%
FLUOCINONIDE GEL 0.05% 60GM	26.0%	Taro 61.7%
FLUOCINONIDE OINTMENT 0.05% 15GM	53.8%	Taro 37.7%; Sandoz 8.5%
FLUOCINONIDE OINTMENT 0.05% 30GM	53.8%	Taro 37.7%; Sandoz 8.5%
FLUOCINONIDE OINTMENT 0.05% 60GM	53.8%	Taro 37.7%; Sandoz 8.5%

816. As discussed above, Teva coordinated with Taro and Sandoz to increase the price of all four of those formulations of Fluocinonide in July 2013, based in part on discussions that started between Patel and Aprahamian even before Patel started her employment at Teva. The increases to the WAC prices in 2013 were a modest 10-17%, depending on the formulation.

817. The second coordinated increase of Fluocinonide was much more significant. Taro raised its prices for all four Fluocinonide formulations effective June 3, 2014. For each, the increases to Taro's WAC prices are set forth below:

Formulation	Percentage Increase to WAC
Fluocinonide 0.05% Cream	206 – 754%
Fluocinonide 0.05% Gel	155 – 255%
Fluocinonide 0.05% Ointment	206 – 483%
Fluocinonide Emollient-Based 0.05% Cream	160 – 430%

Taro notified its customers of the increases the day before they became effective – June 2, 2014.

818. Patel knew of these (and other) Taro increases well in advance, and was prepared so that Teva would be able to quickly follow the price increases. Patel was already preparing for the next round of Teva price increases in June 2014; many of which would ultimately be implemented by Teva in August.

819. On May 14, 2014, Patel and Aprahamian exchanged eight (8) text messages, and had one phone conversation lasting more than four (4) minutes.

820. Subsequent to the May 14 communications Patel directed a colleague to create a list of future price increase candidates, based on a set of instructions and data she had given him. On May 28, 2014, that colleague sent her a list titled “2014 Future Price Increase Candidate Analysis.” The list included several drugs sold by Taro –including the four formulations of Fluocinonide (plus Carbamazepine and Clotrimazole) – with the notation “Follow/Urgent” listed as the reason for the increase, *even though Taro had not yet increased its price on those drugs or notified its customers that it would be doing so.*

The relevant portions of that spreadsheet are set forth below:

Item Description	Product Family	BUCKET
CARBAMAZEPINE TABLETS 200MG 100	CARBAMAZEPINE TABLETS	Follow/Urgent
CARBAMAZEPINE TABLETS 200MG 1000	CARBAMAZEPINE TABLETS	Follow/Urgent
CLOTRIMAZOLE TOPICAL SOLUTION 1% 10ML	CLOTRIMAZOLE TOPICAL SOLUTION	Follow/Urgent
CLOTRIMAZOLE TOPICAL SOLUTION 1% 30ML	CLOTRIMAZOLE TOPICAL SOLUTION	Follow/Urgent
FLUOCINONIDE CREAM 0.05% 15GM	FLUOCINONIDE CREAM	Follow/Urgent
FLUOCINONIDE CREAM 0.05% 30GM	FLUOCINONIDE CREAM	Follow/Urgent
FLUOCINONIDE CREAM 0.05% 60GM	FLUOCINONIDE CREAM	Follow/Urgent
FLUOCINONIDE CREAM-E 0.05% 15GM	FLUOCINONIDE E CREAM	Follow/Urgent
FLUOCINONIDE CREAM-E 0.05% 30GM	FLUOCINONIDE E CREAM	Follow/Urgent
FLUOCINONIDE CREAM-E 0.05% 60GM	FLUOCINONIDE E CREAM	Follow/Urgent
FLUOCINONIDE GEL 0.05% 60GM	FLUOCINONIDE TOPICAL GEL	Follow/Urgent
FLUOCINONIDE OINTMENT 0.05% 15GM	FLUOCINONIDE OINTMENT	Follow/Urgent
FLUOCINONIDE OINTMENT 0.05% 30GM	FLUOCINONIDE OINTMENT	Follow/Urgent
FLUOCINONIDE OINTMENT 0.05% 60GM	FLUOCINONIDE OINTMENT	Follow/Urgent

821. On June 3, 2014 – the day the Taro increases on Fluocinonide became effective – CVS reached out to T.C., a senior sales executive at Teva, indicating that it had an “immediate opportunity” on Fluocinonide 0.05% Cream and Fluocinonide 0.05% Emollient Cream, but did not give a reason for providing that opportunity to Teva. The CVS representative offered to move a significant amount of business from Taro to Teva, stating: “Opportunity knocks.” The e-mail was forwarded to Patel, who responded:

From: Nisha Patel02
Sent: Tuesday, June 03, 2014 12:46 PM
To: [REDACTED]
Subject: Re: Fluocinonide Cream

I suspect a price increase...and we would likely follow.

Sent from my iPhone

Of course Patel already knew the bid request was due to a price increase, because she had spoken to Aprahamian in May and included Fluocinonide on her list of price increases with a notation to “Follow/Urgent.” But she still needed to determine the specific price points so that Teva could follow quickly.

822. T.C. stated that she had not heard about a price increase from anyone else, but indicated that she would “snoop around.” Patel stated: “OK. Thanks. I’ll do the same.”

823. Patel immediately began snooping around by exchanging five (5) text messages with Aprahamian at Taro. Later that afternoon, she reported that she had “[c]onfirmed that Taro increased,” but that she was “still working on intel.” K.G. at Teva suggested that it might be a good opportunity to take some share from Taro – the market

share leader on several of the Fluocinonide formulations. He asked Patel to provide “guidance” by the next day. Patel responded at 4:23pm, making it clear that she had been talking to Aprahamian not only about Fluocinonide, but other drugs as well:

I expect to provide guidance at some point in the morning. I’m also hearing Warfarin, Carbamazepine as well. I’ll be looking at shares and intel tomorrow and will provide commentary. (Taro is a high quality competitor. It’s just a matter of who the others are.)

Shortly after sending that e-mail Patel called Aprahamian and they spoke for nearly seven (7) minutes. As discussed more fully below, Taro had also increased its prices for Warfarin and Carbamazepine on June 3. Teva followed those substantial Taro price increases with equally substantial increases of its own in August.

824. First thing the next morning – June 4, 2014 – Patel exchanged two (2) more text messages with Aprahamian, and then the two spoke on the phone for more than twenty-five (25) minutes. Within minutes after hanging up the phone with Aprahamian, Patel sent the following e-mail to K.G., making it clear that she had obtained additional “intel” that she did not want to put in writing:

From: Nisha Patel02
 Sent: Wed 6/04/2014 10:44 AM (GMT-05:00)
 To: [REDACTED]
 Cc:
 Bcc:
 Subject: Fluo Crm and E Crm Info
 Attachments: Analysource_Report_20140604113534(1).xlsx

[REDACTED],

Per your request, I have added in the plain cream. I know you're working on a lot, so just let me know if you'd like to discuss further. I have additional intel (I can discuss with you) that will be useful.

We should probably discuss how we want to handle all Taro increase items. Taro is a high quality competitor--I think we need to be responsible where we have adequate market share.

Thanks,

Nisha

825. That same day, Teva received a bid request from another large customer, Walmart. Shortly after that e-mail was forwarded to her, Patel responded by making it clear that Teva would play nice in the sandbox with Taro:

From: Nisha Patel02
 Sent: Wed 6/04/2014 2:09 PM (GMT-05:00)
 To: [REDACTED]
 Cc: [REDACTED]
 Bcc:
 Subject: RE: Item Questions

[REDACTED]

(Please consider the Taro items alert items.) Based on quality of competitor, the intention of being responsible in the market, and market share, below is my commentary:

1. Gel: WAC issue. I estimate that WM nets are right around our WAC. Recommend bidding right below WAC, assuming we can supply.
2. Ointment: Should not pursue. We have reasonable share.
3. Cream: Since we are pursuing CVS, and assuming it works out, we should probably not pursue.

After further deliberation, Teva decided not to bid on any of the Walmart business at all.

826. On June 23, 2014, as Teva was planning to implement a price increase on Fluocinonide to follow the Taro increase, Patel forwarded a spreadsheet to a subordinate with “intel” she had obtained directly from Aprahamian. That spreadsheet contained specific Taro customer price points for the different formulations of Fluocinonide for each of the various classes of trade (i.e., wholesalers, chain drug stores, mail order and GPO). Prior to sending that “intel,” Patel had spoken to Aprahamian on June 17 for fifteen (15) minutes, and June 19 for nearly fourteen (14) minutes. The contract price points obtained by Patel were not otherwise publicly available.

827. Sandoz was also a competitor on two formulations of Fluocinonide – Fluocinonide ointment and Fluocinonide gel – but was only actively marketing the gel. Not coincidentally, Aprahamian was having similar communications with his contact at Sandoz, CW-3, during this time period. At least some of those calls are set forth below:

Date	Call Type	Target Name	Direction	Contact Name	Duration
6/17/2014	Voice	Aprahamian, Ara (Taro)	Outgoing	CW-3 (Sandoz)	0:01:00
6/18/2014	Voice	Aprahamian, Ara (Taro)	Outgoing	CW-3 (Sandoz)	0:01:00
6/18/2014	Voice	Aprahamian, Ara (Taro)	Outgoing	CW-3 (Sandoz)	0:01:00
6/19/2014	Voice	Aprahamian, Ara (Taro)	Outgoing	CW-3 (Sandoz)	0:01:00
6/20/2014	Voice	Aprahamian, Ara (Taro)	Outgoing	CW-3 (Sandoz)	0:02:00
6/20/2014	Voice	Aprahamian, Ara (Taro)	Incoming	CW-3 (Sandoz)	0:04:00
6/20/2014	Voice	Aprahamian, Ara (Taro)	Outgoing	CW-3 (Sandoz)	0:10:00

During one of the calls on June 20 referenced above, Aprahamian dictated to CW-3 over the telephone specific Taro contract price points for each of the same classes of trade that he had provided to Patel, for Fluocinonide ointment, Fluocinonide gel, and various other drugs that Taro had increased that overlapped with Sandoz. CW-3 took very detailed notes of the pricing information Aprahamian provided, which again were not publicly

available. Based on a history and pattern of practice between CW-3 and Aprahamian, it was understood that Sandoz would follow the Taro price increase.

828. On June 26, 2014, Teva sent out a calendar notice to a number of sales and pricing employees- including Patel and Rekenthaler - for a 3pm conference call that day. The notice stated: “We will discuss the upcoming price increase for all Fluocinonide products: Fluocinonide Cream, Fluocinonide E-Cream, Fluocinonide Gel, Fluocinonide Ointment. We are targeting an announcement date of Monday, June 30th for an effective date of July 1st.” The next morning, at 9:57am, Patel and Aprahamian spoke again for nearly thirteen (13) minutes.

829. The Teva price increases on Fluocinonide became effective on July 1, 2014. Teva increased its WAC pricing to match Taro’s pricing almost exactly. That same day, Patel spoke to her contact at Sandoz - CW-1 - several times, including at least those calls set forth below:

Date	Call Type	Target Name	Direction	Contact Name	Time	Duration
7/1/2014	Voice	Patel, Nisha (Teva)	Outgoing	CW-1 (Sandoz)	7:54:45	0:00:03
7/1/2014	Voice	Patel, Nisha (Teva)	Outgoing	CW-1 (Sandoz)	9:59:38	0:01:34
7/1/2014	Voice	Patel, Nisha (Teva)	Outgoing	CW-1 (Sandoz)	15:05:31	0:00:03
7/1/2014	Voice	Patel, Nisha (Teva)	Incoming	CW-1 (Sandoz)	15:10:28	0:00:11
7/1/2014	Voice	Patel, Nisha (Teva)	Incoming	CW-1 (Sandoz)	15:13:36	0:01:59
7/1/2014	Voice	Patel, Nisha (Teva)	Incoming	CW-1 (Sandoz)	15:21:17	0:07:14
7/1/2014	Voice	Patel, Nisha (Teva)	Incoming	CW-1 (Sandoz)	17:58:19	0:19:46

During those calls, Patel informed CW-1 of the Teva price increase and provided specific price points to CW-1 so that Sandoz would be able to follow the price increase.

830. Sandoz was in the process of exiting the market for Fluocinonide ointment (it had ceased its sales by September 2014, but followed the increase on the gel three

months later, on October 10, 2014). Sandoz increased its WAC pricing on the gel by 491%. That same day, Patel spoke to CW-1 at Sandoz by phone for more than three (3) minutes.

831. During this time period, Actavis had also started to re-enter the market for Fluocinonide 0.05% cream, but had not yet gained any significant market share due to supply problems. Nonetheless, Actavis still followed the Taro and Teva price increases in December 2014 by raising its prices to the exact WAC prices as Teva and Taro. The Actavis price increase on Fluocinonide cream was effective December 19, 2014. Not surprisingly, in the days and weeks leading up to the Actavis price increase, the co-conspirators at Actavis, Taro and Teva were all communicating frequently. At least some of those communications are set forth below:

Date	Call Type	Target Name	Direction	Contact Name	Duration
12/3/2014	Voice	Falkin, Marc (Actavis)	Incoming	Rekenthaler, David (Teva)	0:01:39
12/3/2014	Voice	Falkin, Marc (Actavis)	Incoming	Rekenthaler, David (Teva)	0:00:00
12/3/2014	Voice	Falkin, Marc (Actavis)	Incoming	Rekenthaler, David (Teva)	0:00:06
12/3/2014	Voice	Falkin, Marc (Actavis)	Outgoing	Rekenthaler, David (Teva)	0:00:16
12/3/2014	Voice	Falkin, Marc (Actavis)	Outgoing	Rekenthaler, David (Teva)	0:00:00
12/5/2014	Voice	Aprahamian, Ara (Taro)	Outgoing	M.D. (Actavis)	0:01:00
12/5/2014	Voice	Aprahamian, Ara (Taro)	Outgoing	M.D. (Actavis)	0:01:00
12/9/2014	Voice	Falkin, Marc (Actavis)	Incoming	Rekenthaler, David (Teva)	0:00:00
12/9/2014	Voice	Falkin, Marc (Actavis)	Incoming	Rekenthaler, David (Teva)	0:00:22
12/9/2014	Voice	Falkin, Marc (Actavis)	Outgoing	Rekenthaler, David (Teva)	0:00:19
12/10/2014	Voice	Falkin, Marc (Actavis)	Incoming	Rekenthaler, David (Teva)	0:00:07
12/10/2014	Voice	Falkin, Marc (Actavis)	Outgoing	Rekenthaler, David (Teva)	0:07:59
12/10/2014	Voice	Falkin, Marc (Actavis)	Incoming	Rekenthaler, David (Teva)	0:02:37
12/11/2014	Voice	Aprahamian, Ara (Taro)	Outgoing	M.D. (Actavis)	0:02:00
12/11/2014	Voice	Aprahamian, Ara (Taro)	Outgoing	Patel, Nisha (Teva)	0:16:00
12/17/2014	Voice	Falkin, Marc (Actavis)	Incoming	Rekenthaler, David (Teva)	0:02:35
12/17/2014	Voice	Falkin, Marc (Actavis)	Outgoing	Rekenthaler, David (Teva)	0:08:00
12/18/2014	Voice	Falkin, Marc (Actavis)	Incoming	Rekenthaler, David (Teva)	0:02:40

o. August 28, 2014 Price Increases

832. On August 28, 2014, Teva raised prices on a number of different drugs, including those set forth below:

Product Description	Competitors	% WAC Increase
ANILORIDE HCL/HCTZ TABLETS	Mylan (88%)	50%
AMOXI CILIN/CLAV CHEW TABLETS	Sandoz (34%)	25%
CARBAMAZEPINE CHEWABLE TABLETS	Taro (5.9%); Torrent (24.9%)	270%
CARBAMAZEPINE TABLETS	Taro (5.2%); Torrent (3.2%); Apotex (3%)	1538%
CIMETIDINE TABLETS	Mylan (58%); Apotex (0.4%)	25%
CLEMASTINE FLUMARATE TABLETS	Sandoz (13%)	45%
CLOTRIMAZOLE TOPICAL SOLUTION	Taro (5.4%)	208%
DESMOPRESSIN ACETATE TABLETS	Actavis (43%)	75%
DICLOFENAC POTASSIUM TABLETS	Mylan (37%); Sandoz (13.5%)	50%
DISOPYRAMIDE PHOSPHATE CAPSULES	Actavis (47%)	100%
ENALAPRIL MALEATE TABLETS	Mylan (30%); Wockhardt (22.5%)	230%
EPITOL TABLETS	Taro (5.2%); Torrent (3.4%); Apotex (3%)	1538%
FLURBIPROFEN TABLETS	Mylan (41%)	75%
FLUTAMIDE CAPSULES	Par (33%); Actavis (26.8%)	140%
FLUVASTATIN SODIUM CAPSULES	Mylan (82%)	32%
HYDROXYUREA CAPSULES	Par (64%)	37%
LOPERAMIDE HCL CAPSULES	Mylan (56%)	25%
PENICILLIN VK TABLETS	Sandoz (26%); Northstar (5.3%); Dava (4%); Aurobindo (3.6%); Greenstone (2%)	100%
PRAZOSIN HCL CAPSULES	Mylan (71%); Mylan Inst. (0.5%)	21%
PROCHLORPERAZINE TABLETS	Mylan (35%); Cadista (30.3%); Sandoz (11%); Mylan Inst. (0.3%)	0%
TOPIRAMATE SPRINKLE CAPSULES	Zydus (81%); Actavis (3.5%)	0%
WARFARIN SODIUM TABLETS 10MG 100	Taro (5.7%); Zydus (16.2%); Upsher-Smith (5%); Amneal (0.4%);	5%

Following the normal pattern, in the days and weeks leading up to the price increase, Patel and Rekenthaler were communicating with every high-quality competitor on those drugs to coordinate the increases in advance. At least some of those communications are set forth in the graphic below:



833. The day before the increase became effective – August 27, 2014 – Patel spent most of her morning discussing the price increases with her contacts at Sandoz, Actavis, Taro, Zydus and Glenmark:

Date	Call Type	Target Name	Direction	Contact Name	Time	Duration
8/27/2014	Voice	Patel, Nisha (Teva)	Outgoing	CW-1 (Sandoz)	7:11:03	0:11:13
8/27/2014	Voice	Patel, Nisha (Teva)	Outgoing	Rogerson, Rick (Actavis)	8:02:19	0:00:00
8/27/2014	Voice	Patel, Nisha (Teva)	Outgoing	Rogerson, Rick (Actavis)	8:02:42	0:00:03
8/27/2014	Voice	Patel, Nisha (Teva)	Outgoing	Aprahamian, Ara (Taro)	8:27:27	0:02:25
8/27/2014	Voice	Patel, Nisha (Teva)	Outgoing	CW-1 (Sandoz)	8:31:03	0:00:33
8/27/2014	Voice	Patel, Nisha (Teva)	Outgoing	Green, Kevin (Zydus)	8:32:42	0:20:31
8/27/2014	Voice	Patel, Nisha (Teva)	Incoming	Rogerson, Rick (Actavis)	8:41:01	0:00:00
8/27/2014	Voice	Patel, Nisha (Teva)	Incoming	Rogerson, Rick (Actavis)	8:41:06	0:00:25
8/27/2014	Voice	Patel, Nisha (Teva)	Outgoing	Rogerson, Rick (Actavis)	8:58:01	0:16:23
8/27/2014	Voice	Patel, Nisha (Teva)	Incoming	Green, Kevin (Zydus)	9:23:26	0:18:34
8/27/2014	Voice	Patel, Nisha (Teva)	Outgoing	Brown, Jim (Glenmark)	10:34:34	0:00:06
8/27/2014	Voice	Patel, Nisha (Teva)	Incoming	Brown, Jim (Glenmark)	16:29:08	0:07:52
8/27/2014	Voice	Patel, Nisha (Teva)	Outgoing	Green, Kevin (Zydus)	17:09:15	0:00:06

834. In addition to those phone communications noted above, representatives from Teva and every other defendant met in Boston, Massachusetts shortly before the increase, from August 23-26, 2014, for the NACDS annual event, which was the largest pharmaceutical industry meeting of the year. Cavanaugh, Rekenhaller and Patel, along with many other Teva executives, as well as executives from every other corporate Defendant, attended.

835. For those few drugs where the phone records do not identify direct communications between Teva executives and their competitors, these executives, at a minimum, communicated through other competitors.

836. For example, with regard to Enalapril, Patel was speaking to Aprahamian at Taro as shown above. Aprahamian, in turn, spoke to M.C., the Vice President of Sales and Marketing at Wockhardt, on August 8, 2014 for thirteen (13) minutes, and again twice on August 14, 2014, including one call lasting eight (8) minutes.

837. Similarly, with regard to the drug Prochlorperazine, Rekenthaler communicated with Nesta at Mylan on August 7 and August 11, as shown above. Nesta, in turn, communicated with M.D., a senior sales executive at non-Defendant Cadista Pharmaceuticals, on the same days that he had been communicating with Rekenthaler.

838. A large number of the drugs on Teva's August 28, 2014 price increase list were selected because Teva was following a "high quality" competitor. The coordination between Teva and certain co-conspirators regarding those drugs is discussed more fully below.

i. Mylan

839. Effective April 17, 2014, Mylan increased its WAC pricing on a number of different drugs, including several that overlapped with Teva. Mylan also increased its contract prices, but at least some of those price increases would not become effective until mid-May 2014.

840. Pursuant to the established understanding between the two companies, Teva immediately decided that it would follow the Mylan increases. On April 21, 2014, T.S., a national account executive at Teva, forwarded to Patel two spreadsheets with WAC and AWP pricing information for the price increases taken by Mylan. The spreadsheets were created by Mylan personnel.

841. Patel, in turn, forwarded the e-mail to the Teva sales team and stated: "Our intention is to follow Mylan on this increase. Below, you will see the list of increase items where Teva overlaps with Mylan. Please share any pricing intelligence you are able to obtain. Thank you in advance!" The list that Patel referred to included the following

products, several of which had been the subject of coordinated price increases in 2013 as well: Amiloride HCL/HCTZ Tablets; Cimetidine Tablets; Enalapril Maleate Tablets; Fluvastatin Sodium Capsules; Loperamide HCL Capsules; Prazosin HCL Capsules; and Sotalol Hydrochloride Tablets.

842. Within days, Teva began receiving requests from its customers for bids due to the Mylan price increases. On April 24, 2014, Patel began to formulate a “Mylan Increase Strategy” in order to respond to those requests, but noted that Teva was “still awaiting intel” about the Mylan customer contract price points, which were not publicly available. Previously, Patel had relied on Kevin Green to obtain specific Mylan customer price points (referred to as “intel”) through his communications with Nesta of Mylan, which she used to follow Mylan’s pricing. The next day, in a follow-up e-mail about the Mylan strategy, Patel noted that one of her Mylan increase strategies would not have been appropriate for this situation, and concluded that: “Plus, we really need some intel” about the Mylan contract price points.

843. Patel continued to push for specific contract price points from Mylan. On April 28, 2014, Patel sent an e-mail to the Teva sales team, stating: “To date, we have no intel on Mylan’s recent increases. I realize there is a lot of travel going on, but whatever you can gather and share would be greatly appreciated.”

844. On May 9, 2014, Patel sent another e-mail:

From: Nisha Patel02
Sent: Fri 5/09/2014 9:55 AM (GMT-05:00)
To: [REDACTED]
Cc: Dave Rekenthaler; [REDACTED]
Bcc:
Subject: Mylan Increase Intel

NAMs,

Sorry to be so persistent, but we have not received any Mylan price increase intelligence yet. Whatever you can gather and provide would be greatly appreciated. Our intention is to become better, quicker followers, but without intel, we are unable to do so.

In fact, I cannot see Teva being able to follow in the next round of mass price changes (without any price points) at this point. Of course we can always follow by guessing, but it could cause needless price disruption in the market.

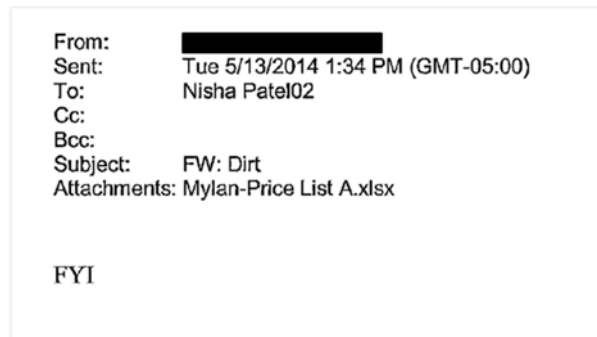
Please send any intel to me and Tom.

Shortly after receiving that e-mail – at 11:15am that morning – Rekenthaler called Nesta at Mylan and left a message. Nesta returned the call at 11:23am, and the two spoke for nearly eight (8) minutes.

845. Separately, and before Rekenthaler was able to convey any information he had obtained, Patel forwarded a customer request from ABC (relating to the Mylan increase items) directly to T.S. at Teva, lamenting the absence of Green to obtain the Mylan intel:

I am in a really tough spot on these. Please help! There are several requests open for offers, but I have ZERO intel. A little frustrating/discouraging, as we are bound to hear complaints on how long it took to close the Delphi request. Is there anything you are able to get to help when you are back? . . . At some point, I know I'll have to find another source of magic :))

846. The next day, T.S. sent Patel an e-mail with an attached spreadsheet listing the Mylan contract price points for all of the recent increases:



The e-mail was unclear on where T.S. had obtained this “dirt,” but the spreadsheet attached to her e-mail was created by a Mylan employee.

847. Rekenthaler and Nesta spoke again on May 20, 2014. Armed with this new source of “intel,” Patel was more confident that Teva could follow the Mylan price increases exactly, without disrupting the market. That same day, as Patel began to create a new list of Teva price increase candidates, she instructed a colleague to include the Mylan increase drugs – with specific price points – as its own separate tab in the spreadsheet, called “follow.” Her colleague provided the list, as requested, on May 21.

848. On May 27, 2014, Rekenthaler and Nesta spoke twice, including one call lasting nearly four (4) minutes. By May 28, Teva had a much more comprehensive list of price increase items. On that list, seven of the Mylan items were prominently listed with a “Follow Urgent” notation listed next to each:

Item Description	BUCKET	Comments
AMILORIDE HCL/HCTZ TABLETS 5/50MG 100	Follow/Urgent	Follow Mylan Increase
AMILORIDE HCL/HCTZ TABLETS 5/50MG 1000	Follow/Urgent	Follow Mylan Increase
CIMETIDINE TABLETS 300MG 100	Follow/Urgent	Follow Mylan Increase
CIMETIDINE TABLETS 300MG 500	Follow/Urgent	Follow Mylan Increase
CIMETIDINE TABLETS 400MG 100	Follow/Urgent	Follow Mylan Increase
CIMETIDINE TABLETS 400MG 500	Follow/Urgent	Follow Mylan Increase
CIMETIDINE TABLETS 800MG 100	Follow/Urgent	Follow Mylan Increase
ENALAPRIL MALEATE TABLETS 2.5MG 100	Follow/Urgent	Follow Mylan Increase
ENALAPRIL MALEATE TABLETS 2.5MG 1000	Follow/Urgent	Follow Mylan Increase
ENALAPRIL MALEATE TABLETS 5MG 100	Follow/Urgent	Follow Mylan Increase
ENALAPRIL MALEATE TABLETS 5MG 5000	Follow/Urgent	Follow Mylan Increase
ENALAPRIL MALEATE TABLETS 10MG 100	Follow/Urgent	Follow Mylan Increase
ENALAPRIL MALEATE TABLETS 10MG 1000	Follow/Urgent	Follow Mylan Increase
ENALAPRIL MALEATE TABLETS 20MG 100	Follow/Urgent	Follow Mylan Increase
ENALAPRIL MALEATE TABLETS 20MG 1000	Follow/Urgent	Follow Mylan Increase
FLUVASTATIN SODIUM CAPSULES 20MG 30	Follow/Urgent	Follow Mylan Increase
FLUVASTATIN SODIUM CAPSULES 20MG 100	Follow/Urgent	Follow Mylan Increase
FLUVASTATIN SODIUM CAPSULES 40MG 30	Follow/Urgent	Follow Mylan Increase
FLUVASTATIN SODIUM CAPSULES 40MG 100	Follow/Urgent	Follow Mylan Increase
LOPERAMIDE HCL CAPSULES 2MG 100	Follow/Urgent	Follow Mylan Increase
LOPERAMIDE HCL CAPSULES 2MG 500	Follow/Urgent	Follow Mylan Increase
PRazosin HCL CAPSULES 1MG 100	Follow/Urgent	Follow Mylan Increase
PRazosin HCL CAPSULES 1MG 1000	Follow/Urgent	Follow Mylan Increase
PRazosin HCL CAPSULES 2MG 100	Follow/Urgent	Follow Mylan Increase / Exceed Hypothetical BWAC
PRazosin HCL CAPSULES 2MG 1000	Follow/Urgent	Follow Mylan Increase / Exceed Hypothetical BWAC
PRazosin HCL CAPSULES 5MG 100	Follow/Urgent	Follow Mylan Increase
PRazosin HCL CAPSULES 5MG 250	Follow/Urgent	Follow Mylan Increase
PRazosin HCL CAPSULES 5MG 500	Follow/Urgent	Follow Mylan Increase
SOTALOL HYDROCHLORIDE TABLETS 80MG 100	Follow/Urgent	Follow Mylan Increase
SOTALOL HYDROCHLORIDE TABLETS 120MG 100	Follow/Urgent	Follow Mylan Increase
SOTALOL HYDROCHLORIDE TABLETS 160MG 100	Follow/Urgent	Follow Mylan Increase
SOTALOL HYDROCHLORIDE TABLETS 240MG 100	Follow/Urgent	Follow Mylan Increase

Also on the list were three additional Mylan drugs for which Teva would be leading the price increase: Diclofenac Potassium Tablets; Flurbiprofen Tablets; and Prochlorperazine Tablets.

849. With the list firmly squared away at the end of May, Rekenthaler and Nesta had no need to speak again until August, when Teva was preparing to implement the price increases. In the weeks leading up to the August 28, 2014 Teva price increases, Rekenthaler and Nesta spoke several times to coordinate, including at least the calls set forth below:

Date	Call Type	Target Name	Direction	Contact Name	Duration
8/4/2014	Voice	Rekenthaler, David (Teva)	Outgoing	Nesta, Jim (Mylan)	0:01:00
8/4/2014	Voice	Rekenthaler, David (Teva)	Incoming	Nesta, Jim (Mylan)	0:06:00
8/7/2014	Voice	Rekenthaler, David (Teva)	Incoming	Nesta, Jim (Mylan)	0:14:00
8/11/2014	Voice	Rekenthaler, David (Teva)	Outgoing	Nesta, Jim (Mylan)	0:02:00
8/11/2014	Voice	Rekenthaler, David (Teva)	Incoming	Nesta, Jim (Mylan)	0:06:00
8/18/2014	Voice	Rekenthaler, David (Teva)	Outgoing	Nesta, Jim (Mylan)	0:01:00
8/18/2014	Voice	Rekenthaler, David (Teva)	Incoming	Nesta, Jim (Mylan)	0:13:00
8/21/2014	Voice	Rekenthaler, David (Teva)	Outgoing	Nesta, Jim (Mylan)	0:06:00

ii. Taro

850. As discussed above, Taro implemented a substantial price increase on various formulations of Fluocinonide on June 3, 2014. In addition to Fluocinonide, Taro also significantly raised its prices on the following additional drugs, which overlapped with Teva: Carbamazepine Chewable Tablets, Carbamazepine Tablets, Clotrimazole Topical Solution and Warfarin Sodium Tablets.

851. Patel learned of the prices increases for certain of these drugs in advance, based on her conversations with Aprahamian. It was understood that Teva would follow the Taro price increases based on these and prior conversations. In fact, Teva agreed and made plans to follow them before Taro had even put them into effect.

852. Specifically, on May 28, 2014, T.S. of Teva sent Patel the then-current version of her “Future Price Increase Candidate” spreadsheet. That list included the following Taro drugs, which had not yet been increased by Taro:

Item Description	BUCKET
CARBAMAZEPINE TABLETS 200MG 100	Follow/Urgent
CARBAMAZEPINE TABLETS 200MG 1000	Follow/Urgent
CLOTRIMAZOLE TOPICAL SOLUTION 1% 10ML	Follow/Urgent
CLOTRIMAZOLE TOPICAL SOLUTION 1% 30ML	Follow/Urgent

Patel likely obtained this information from Aprahamian on May 14, 2014, when the two exchanged eight (8) text messages and spoke for more than four (4) minutes by phone.

853. On June 3, 2014 – the date of the Taro price increases on Fluocinonide, Carbamazepine, Clotrimazole, Warfarin and other drugs – Patel and Aprahamian exchanged five (5) text messages. After exchanging those text messages, Patel confirmed to her supervisor K.G. and another Teva representative that Taro had in fact raised its pricing on Fluocinonide. Patel then added: “I expect to provide guidance at some point in the morning. I’m also hearing Warfarin, Carbamazepine as well. I’ll be looking at shares and intel tomorrow and will provide commentary. (Taro is a high-quality competitor. It’s just a matter of who the others are.)” At 5:08pm that evening, Patel called Aprahamian and the two spoke for nearly seven (7) minutes.

854. First thing the next morning, Patel and Aprahamian exchanged two (2) text messages. Then, at 9:56am, the two spoke again for almost twenty-six (26) minutes. Shortly after hanging up the phone with Aprahamian, Patel sent an e-mail to K.G. making it clear that she had obtained additional “intel” regarding the Taro price increases that she

did not want to put into writing, stating: “I have additional intel (I can discuss with you) that will be useful.”

855. On June 12, 2014, Teva internally discussed future projections regarding Carbamazepine – including the fact that its API supplier might run out of supply sometime in 2015. One of the options discussed was a price increase. K.G. – aware that Patel had been in discussions with Aprahamian and had “intel” regarding the Taro price increase on Carbamazepine (and other drugs) – stated: “Nisha [Patel] would be able to provide guidance relative to [the Carbamazepine] price increase for the analysis being put together.” In fact, Patel had communicated with Aprahamian earlier that same day for more than nine (9) minutes.

856. One of the drugs that Taro increased on June 3, 2014 was Warfarin Sodium Tablets (“Warfarin”). Also known by the brand name Coumadin, Warfarin is a blood thinner medication used to treat and prevent blood clots.

857. As of June 2014, there were three competitors in the market for Warfarin: Teva, Taro and Zydus. Ten days after Taro increased its price, Zydus quickly followed with a price increase of its own on June 13, 2014. In the days between the Taro and Zydus price increases for Warfarin, Teva, Taro and Zydus coordinated through various phone communications with each other, including at least the following:

Date	Call Type	Target Name	Direction	Contact Name	Time	Duration
6/4/2014	Text	Patel, Nisha (Teva)	Outgoing	Aprahamian, Ara (Taro)	9:11:28	0:00:00
6/4/2014	Text	Patel, Nisha (Teva)	Incoming	Aprahamian, Ara (Taro)	9:16:52	0:00:00
6/4/2014	Voice	Patel, Nisha (Teva)	Outgoing	Aprahamian, Ara (Taro)	9:56:52	0:25:57
6/11/2014	Voice	Rekenthaler, David (Teva)	Incoming	Green, Kevin (Zydus)	4:37:00	0:08:00
6/11/2014	Voice	Patel, Nisha (Teva)	Outgoing	Green, Kevin (Zydus)	15:36:37	0:00:07
6/11/2014	Voice	Patel, Nisha (Teva)	Incoming	Green, Kevin (Zydus)	15:42:26	0:14:31
6/12/2014	Voice	Patel, Nisha (Teva)	Outgoing	Aprahamian, Ara (Taro)	7:57:50	0:09:18
6/13/2014	Voice	Patel, Nisha (Teva)	Incoming	Green, Kevin (Zydus)	8:13:10	0:16:38

858. On June 13, 2014 - the date of the Zydus increase on Warfarin- Teva was presented with an offer from a customer for a one-time buy on that drug. Patel responded that “[w]e will review, but note that we intend to follow [the] Taro and Zydus increase price.” Later that same day, Patel sent an internal e-mail alerting her group, including her supervisor K.G., about a list of drugs on which Teva planned to raise prices. A number of them - including Carbamazepine Chewable Tablets, Carbamazepine Tablets, Clotrimazole Topical Solution, Fluocinonide Cream, Emollient Cream, Gel and Ointment, and Warfarin Sodium Tablets - included the notation “Follow/Urgent - Taro” as the reason for the increase. For that list of drugs, Patel directed that “we should not provide any decreases on these products.” Patel’s directive meant that Teva would not seek to compete for market share against Taro or Zydus when approached by customers due to those competitors’ price increases.

859. On June 18, 2014, Patel sent that same list to the entire sales team at Teva, informing them of the status of Teva’s next price increase. She noted that Teva had already been “receiving multiple requests on several items that are prioritized as increase candidates.” Patel continued: “While we do not have an exact date of increase, we are

taking our increase plans into consideration and are bidding on new business at the planned increase price where our WAC allows.” Finally, Patel stated:

This is all in consideration of market factors, quality of competitors, current market share (including McK RFP results) and intelligence we have been able to gather. As you know, each situation is unique, but this should provide a high level overview.

Some of the “intelligence” referred to by Patel was gathered during a phone conversation she had with Aprahamian of Taro the day before, on June 17, 2014, which lasted more than fifteen (15) minutes.

860. The next day, Patel continued to gather “intelligence” and made concerted efforts to simultaneously coordinate with both Aprahamian and Green at Zydus. The timing and duration of those phone calls is set forth below:

Date	Call Type	Target Name	Direction	Contact Name	Time	Duration
6/19/2014	Voice	Patel, Nisha (Teva)	Outgoing	Aprahamian, Ara (Taro)	8:38:09	0:00:01
6/19/2014	Voice	Patel, Nisha (Teva)	Outgoing	Green, Kevin (Zydus)	8:41:07	0:00:04
6/19/2014	Voice	Patel, Nisha (Teva)	Incoming	Aprahamian, Ara (Taro)	13:56:47	0:00:00
6/19/2014	Voice	Patel, Nisha (Teva)	Incoming	Green, Kevin (Zydus)	14:08:53	0:00:00
6/19/2014	Voice	Patel, Nisha (Teva)	Outgoing	Aprahamian, Ara (Taro)	14:24:45	0:00:09
6/19/2014	Voice	Patel, Nisha (Teva)	Outgoing	Green, Kevin (Zydus)	14:25:32	0:00:04
6/19/2014	Voice	Patel, Nisha (Teva)	Incoming	Aprahamian, Ara (Taro)	15:40:08	0:00:00
6/19/2014	Voice	Patel, Nisha (Teva)	Incoming	Aprahamian, Ara (Taro)	16:01:31	0:13:35
6/19/2014	Voice	Patel, Nisha (Teva)	Outgoing	Green, Kevin (Zydus)	16:23:36	0:00:05
6/19/2014	Voice	Patel, Nisha (Teva)	Outgoing	Green, Kevin (Zydus)	17:24:07	0:13:15

861. On August 28, 2014, Teva followed the Taro price increases on Carbamazepine Chewable Tablets, Carbamazepine Tablets, Clotrimazole Topical Solution, and Warfarin Sodium Tablets. As discussed more fully above, Teva coordinated those increases with Taro (and Zydus) through direct communications with those competitors in the days leading up to the increase.

iii. *Zydus*

862. In addition to their agreement on Warfarin, Teva also agreed with Zydus to raise the price of Topiramate Sprinkle Capsules.

863. Topiramate Sprinkle Capsules, also known by the brand name Topamax, is a medication used to treat seizures caused by epilepsy, and also to treat migraine headaches. As of June 2014, Zydus and Teva had a large majority of the market share for Topiramate, while Actavis had just 3% of the market.

864. In April 2014, Zydus raised its price for Topiramate Sprinkle Capsules. Patel was in frequent communication with Green at the time of the Zydus price increase.

865. In the days leading up to the June 13 Zydus price increase on Warfarin, which is discussed more fully above, Kevin Green coordinated with both Patel and Rekenthaler at Teva, as set forth in the table below:

Date	Call Type	Target Name	Direction	Contact Name	Time	Duration
6/2/2014	Voice	Rekenthaler, David (Teva)	Incoming	Green, Kevin (Zydus)	9:33:00	0:02:00
6/2/2014	Voice	Patel, Nisha (Teva)	Incoming	Green, Kevin (Zydus)	11:25:26	0:05:48
6/11/2014	Voice	Rekenthaler, David (Teva)	Incoming	Green, Kevin (Zydus)	4:37:00	0:08:00
6/11/2014	Voice	Patel, Nisha (Teva)	Outgoing	Green, Kevin (Zydus)	15:36:37	0:00:07
6/11/2014	Voice	Patel, Nisha (Teva)	Incoming	Green, Kevin (Zydus)	15:42:26	0:14:31
6/13/2014	Voice	Patel, Nisha (Teva)	Incoming	Green, Kevin (Zydus)	8:13:10	0:16:38

866. Green was likely speaking to Patel and Rekenthaler about both Warfarin and Topiramate Sprinkle Capsules during those calls because on June 13 - the same day the Zydus price increase on Warfarin became effective, and after the conversations noted above - Patel added Topiramate Sprinkle Capsules to Teva's price increase list, with a notation: "Follow/Urgent - Zydus." Two days before that - the same day that Green had extensive phone calls with both Rekenthaler and Patel - Rekenthaler also spoke twice

with Falkin of Actavis, the only other competitor in the market for Topiramate Sprinkle Capsules.

867. Teva followed the Zydus price increase for Topiramate Sprinkle Capsules on August 28, 2014. As noted above, Teva coordinated that increase with both Zydus and Actavis in the days and weeks before it.

iv. Competitors Follow Teva

868. For those drugs where Teva was leading the price increases on August 28, 2014, several of Teva's competitors followed in short order and those price increases were also coordinated.

869. For example, on October 10, 2014 Sandoz followed Teva's price increases on three drugs: (1) Amoxicillin/Potassium Clavulanate Chewable Tablets; (2) Diclofenac Potassium Tablets; and (3) Penicillin V Potassium Tablets. Following the normal pattern, Patel of Teva spoke to CW-1 of Sandoz on the day of the Sandoz price increases for more than three (3) minutes.

870. Then, on December 19, 2014, Actavis followed the Teva price increase on Desmopressin Acetate Tablets. Rekenhaller of Teva and Falkin of Actavis spoke frequently in the days and weeks leading up to the Actavis price increase, including calls on November 18, November 21 and November 25, 2014.

871. Indeed, even before Actavis followed the Teva price increase, Teva knew that Actavis planned to increase. For example, on October 15, 2014 – approximately six weeks before Actavis raised its price – Teva received a request from a customer asking Teva to reduce its pricing on Desmopressin Acetate because it was no longer offering

competitive prices. Patel's initial response to the customer was "[w]e believe the market is still settling on this product. Can you please review in a few days and advise of more current pricing intelligence?" In a subsequent internal discussion, Patel expressed how difficult it was to actually keep track of all of Teva's different collusive agreements, saying: "I can't quite recall if Actavis followed us or we followed them....but they definitely did not change their WACs recently."

872. Similarly, on March 4, 2015, Mylan followed the Teva and Sandoz price increases on Diclofenac Potassium Tablets. Rekenthaler coordinated that price increase with Nesta of Mylan during two phone calls on February 18 and one call on February 19, 2015.

p. January 28, 2015 Price Increases

873. Shortly after the August 28, 2014 Teva price increases, Patel accepted a new position at Teva. She left her position in the pricing department to take on the role of Director of National Accounts at Teva. Her new position meant new responsibilities, necessitating more frequent travel to customer conferences and trade shows, giving her a greater opportunity to meet and collude face-to-face with competitors instead of over the telephone.

874. When Patel left the pricing department at Teva her position was not re-filled. K.G., Patel's former supervisor, assumed her role and became the executive responsible for identifying price increase candidates and implementing price increases.

875. On January 28, 2015, Teva raised prices on a number of different drugs. Teva's price increase spreadsheet – now maintained by K.G. at Teva, identified the

following drugs, among others, along with the price increase strategy and reasons for the increase:

Product Description	Price Increase Strategy	Reason for Increase	Competitors
BETHANECHOL CHLORIDE TABLETS	Market Intel	Follow Competitor - Amneal	Amneal (65%); Wockhardt (14.9%); Rising (1.7%)
CIPROFLOXACIN TABLETS	193% Increase	Follow Competitor - DRL & Actavis	Actavis (37%); Dr. Reddy's (23.3); Westward (11.2%); Northstar (5.6%); Pack (5.2%)
DILTIAZEM HCL TABLETS	90% Increase	Lead -Semi-Exclusive	Mylan (41.8%)
ESTRADIOL TABLETS	90% Increase	Lead -Semi-Exclusive	Actavis (12.3%); Mylan (3.1%)
FLUOXETINE HCL TABLETS	612% Increase	Mylan (New Market Entrant) (6/23/2014)	Par (45.1%); Mylan (7.3%)
GLIMEPIRIDE TABLETS	300% Increase	Follow Competitor- DRL	Dr. Reddy's (34%); Accord (17%); INT Labs (15.3%); Virtus (3.6%); BluePoint (2%)
GRISEOFULVIN SUSPENSION	50% Increase	Follow Competitor- Actavis	Actavis (47.2%); Qualitest (14.1%); Perrigo (3.9%)
ISONIAZID TABLETS	50% Increase	Lead -Limited Competition	Sandoz (21.2%); Lannett (3.4%)
KETOPROFEN CAPSULES	90% Increase	Lead -Semi-Exclusive	Mylan (42.2%)
KETOROLAC TROMETHAMINE TABLETS	90% Increase	Lead -Semi-Exclusive (Mylan Supply Issues)	Mylan (40%)
NORTRIPTYLINE HCL CAPSULES	90% Increase	Lead- Cost of Goods Increased	Actavis (29.4%); Taro (4.8%)
PROPRANOLOL HCL TABLETS	Market Intel	Follow Competitor - Actavis	Heritage (28.5%); Actavis (21.2%); Qualitest (12.8%); Northstar (7.5%); Mylan (2.6%)

876. Consistent with their normal pattern, Patel and Rekenthaler communicated with a number of Teva's significant competitors about these drugs in the days and weeks leading up to January 28, 2015. The relevant phone communications between Teva and several of its competitors related to these drugs are set forth below:

Par:
Rekenthaler speaks to M.B. (Par) on 1/26 (14 minutes); Rekenthaler speaks to J.H. (VP of Sales at Par) on 1/28 (2 calls)

Amneal:
Patel speaks to S.R.(1) on 1/6 (51 minute call)

Taro:
Patel speaks to Aprahamian two times on 1/9/15

Dr. Reddy's:
Patel speaks to V.B. in June through October 2014 when Dr. Reddy's increases prices (see below)

Product Description	Competitors
BETHANECHOL CHLORIDE TABLETS	Amneal (65%); Wockhardt (14.9%); Rising (1.7%)
CIPROFLOXACIN TABLETS	Actavis (3.7%); Dr. Reddy's (23.3%); Westward (11.2%); Northstar (5.6%); Pack (5.2%)
DILTIAZEM HCL TABLETS	Mylan (41.8%)
ESTRADIOL TABLETS	Actavis (12.3%); Mylan (3.1%)
FLUOXETINE HCL TABLETS	Par (45.1%); Mylan (7.3%)
GUMEPIRIDE TABLETS	Dr. Reddy's (34%); Accord (17%); INT Labs (15.3%); Virtus (3.6%); BluePoint (2%)
GRISEOFULVIN SUSPENSION	Actavis (47.2%); Qualitest (14.1%); Perrigo (3.9%)
ISONIAZID TABLETS	Sandoz (21.2%); Lannett (3.4%)
KETOPROFEN CAPSULES	Mylan (42.2%)
KETOROLAC TROMETHAMINE TABLETS	Mylan (40%)
NORTRIPTYLINE HCL CAPSULES	Actavis (29.4%); Taro (4.8%)
PROPRANOLOL HCL TABLETS	Heritage (28.5%); Actavis (21.2%); Qualitest (12.8%); Northstar (7.5%); Mylan (2.6%)

Actavis:
Rekenthaler speaks to M. Falkin on 1/13, 1/14 (2 calls) and 1/16

Sandoz:
Patel speaks to CW-1 (Sandoz) on 1/22 (12 minute call)

Mylan:
Rekenthaler speaks to J. Nesta on 1/14 (2 calls) and 1/20

877. Upon information and belief, Patel also spoke in-person with many of these competitors. For example, in her new role as a Director of National Accounts, Patel personally attended the following trade association events and customer conferences in the fall of 2014 and winter of 2014-15: NACDS, Boston, MA (August 23-26, 2014); Econdisc Bidders Meeting, St. Louis, MO (September 17-19, 2014); PCMA Annual Meeting in Rancho Palos Verdes, CA (October 13-14, 2014); Anda Strategy Meeting, Miami, FL (October 26-29, 2014); and the HDMA Round Table, Washington, DC (January 8, 2015). These industry events were all well-attended by Teva's competitors.

878. Some specific examples of Teva's coordination with competitors about its January 28, 2015 price increases are set forth below.

i. Propranolol

879. Propranolol HCL Tablets, also known by various brand names including Inderal LA, Inderal XL, Hemangeol and InnoPran XL, is a beta-blocker used to treat high blood pressure, irregular heartbeats, shaking (tremors), and other conditions.

880. On January 15, 2015, Actavis sent a notice to its customers informing them of a significant increase to its WAC and Suggested Wholesale Prices (SWP) for Propranolol. The increases would not become effective (and thus publicly visible to the rest of the market) until February 17, 2015.

881. In the days before Actavis sent this notice to its customers, Falkin of Actavis and Rekenthaler of Teva spoke frequently. For example:

Date	Call Typ	Target Name	Direction	Contact Name	Time	Duration
1/8/2015	Voice	Rekenthaler, David (Teva)	Outgoing	Falkin, Marc (Actavis)	7:18:00	0:10:00
1/13/2015	Voice	Rekenthaler, David (Teva)	Outgoing	Falkin, Marc (Actavis)	15:39:00	0:01:00
1/14/2015	Voice	Rekenthaler, David (Teva)	Outgoing	Falkin, Marc (Actavis)	3:10:00	0:01:00
1/14/2015	Voice	Rekenthaler, David (Teva)	Outgoing	Falkin, Marc (Actavis)	6:29:00	0:03:00

882. Indeed, the day before Actavis sent the price increase notice to its customers, Rekenthaler coordinated the price increase with Falkin and Nesta of Mylan - the other quality competitor in the market for Propranolol. The timing and duration of those phone calls are set forth in the table below:

Date	Call Typ	Target Name	Direction	Contact Name	Time	Duration
1/14/2015	Voice	Rekenthaler, David (Teva)	Outgoing	Falkin, Marc (Actavis)	3:10:00	0:01:00
1/14/2015	Voice	Rekenthaler, David (Teva)	Outgoing	Nesta, Jim (Mylan)	3:12:00	0:01:00
1/14/2015	Voice	Rekenthaler, David (Teva)	Outgoing	Nesta, Jim (Mylan)	5:39:00	0:09:00
1/14/2015	Voice	Rekenthaler, David (Teva)	Outgoing	Falkin, Marc (Actavis)	6:29:00	0:03:00

883. On January 16, 2015 - more than a month before the Actavis price increase for Propranolol was disclosed to the public - Rekenthaler forwarded Teva's price increase list to Patel. Propranolol was on the list, with the following explanations about pricing strategy and reasons for the price increase:

Product Description	Price Increase Strategy	Reason for Increase
PROPRANOLOL HCL TABLETS 10MG 100	Market Intelligence	Follow Competitor - Actavis
PROPRANOLOL HCL TABLETS 10MG 1000	Market Intelligence	Follow Competitor - Actavis
PROPRANOLOL HCL TABLETS 20MG 100	Market Intelligence	Follow Competitor - Actavis
PROPRANOLOL HCL TABLETS 20MG 1000	Market Intelligence	Follow Competitor - Actavis
PROPRANOLOL HCL TABLETS 40MG 100	Market Intelligence	Follow Competitor - Actavis
PROPRANOLOL HCL TABLETS 40MG 1000	Market Intelligence	Follow Competitor - Actavis
PROPRANOLOL HCL TABLETS 60MG 100	Market Intelligence	Follow Competitor - Actavis
PROPRANOLOL HCL TABLETS 80MG 100	Market Intelligence	Follow Competitor - Actavis
PROPRANOLOL HCL TABLETS 80MG 500	Market Intelligence	Follow Competitor - Actavis

884. Teva raised its pricing for Propranolol on January 28, 2015 – before the Actavis price increase even became effective. As discussed above, Rekenthaler was in constant communication with Falkin of Actavis and Nesta of Mylan in the days leading up to Teva's price increase.

885. When the Actavis price increase on Propranolol did become effective – on February 17, 2015 – Rekenthaler and Falkin continued to discuss pricing. For example, the day before those price increases became visible to the public – February 16, 2015 – Rekenthaler and Falkin spoke two times, including one call lasting nearly twenty- three (23) minutes. Rekenthaler then spoke to Nesta twice on February 18, 2015 and again on February 19, 2015.

886. Mylan ultimately followed the Teva and Actavis price increases for Propranolol with a price increase of its own on July 10, 2015.

ii. *Ciprofloxacin HCL and Glimepiride*

887. Ciprofloxacin HCL Tablets, also known by various brand names including Cetraxal, Otiprio and Ciloxan, is an antibiotic that fights bacteria in the body. It is used to treat different types of bacterial infections, including skin infections, bone and joint infections, respiratory or sinus infections, urinary tract infections, and certain types of diarrhea.

888. Glimepiride Tablets, also known by the brand name Amaryl, is a medication used to control high blood sugar in people with type 2 diabetes.

889. Dr. Reddy's significantly increased its pricing on both Ciprofloxacin HCL and Glimepiride on August 18, 2014. The increases to the Ciprofloxacin HCL WAC were 201% - 533% depending on the dosage strength. The increases to the Glimepiride WAC were approximately 300% for all dosage strengths.

890. In the days and weeks leading up to the Dr. Reddy's price increases for Ciprofloxacin HCL and Glimepiride, V.B., a senior sales executive at Dr. Reddy's, spoke frequently with Patel about the planned price increases. At least some of those phone communications are set forth below:

Date	Call Type	Target Name	Direction	Contact Name	Time	Duration
7/10/2014	Voice	Patel, Nisha (Teva)	Incoming	V.B. (Dr. Reddy's)	13:28:12	0:12:14
7/18/2014	Voice	Patel, Nisha (Teva)	Outgoing	V.B. (Dr. Reddy's)	16:20:45	0:00:10
7/21/2014	Voice	Patel, Nisha (Teva)	Incoming	V.B. (Dr. Reddy's)	9:51:53	0:04:14
7/22/2014	Voice	Patel, Nisha (Teva)	Incoming	V.B. (Dr. Reddy's)	9:19:44	0:06:33
7/24/2014	Voice	Patel, Nisha (Teva)	Outgoing	V.B. (Dr. Reddy's)	10:31:30	0:00:04
7/24/2014	Voice	Patel, Nisha (Teva)	Incoming	V.B. (Dr. Reddy's)	10:40:28	0:04:03

891. V.B. continued to communicate with Patel after the Dr. Reddy's price increases became effective, in the hope that Teva would quickly follow with its own price increases. The two exchanged four (4) text messages on August 25, 2014 - only three days before Teva's substantial price increase on August 28, 2014 (discussed above).

892. Despite Dr. Reddy's best efforts, Teva was unable to add Ciprofloxacin HCL or Glimepiride to its August 28 price increase. On the same day that Teva sent its price increase notices out to its customers, T.W., a senior account executive at Dr. Reddy's, obtained a complete list of Teva's price increases (including a number of drugs not sold by Dr. Reddy's). Although unclear how T.W. obtained this information, the subject line of the e-mail clearly identified the information as "Confidential Teva increases." In her message to several other Dr. Reddy's colleagues, T.W. stated:

On Aug 28, 2014, at 4:11 PM, [REDACTED] > wrote:

Hi All,
Teva had price increases today. No glimepiride though!
See products below.
Thanks,
[REDACTED]

J.M., a senior marketing executive at Dr. Reddy's, replied: "Thanks for sending. This was shown in the pricing compendium today. I was a little disappointed. However, some of the price increase[s] were led by other companies more than a month ago. So I am still hopeful they may follow." Dr. Reddy's anticipated that Teva would follow its price increases based on the understanding that had been reached between V.B. and Patel during their various conversations.

893. In fact, Teva did follow the Dr. Reddy's price increases – on both Ciprofloxacin HCL and Glimepiride – during its next round of price increases on January 28, 2015. In the interim, V.B. and Patel continued to communicate, exchanging four (4) text messages on October 10, 2014.

894. Actavis – the only other quality competitor in the market for Ciprofloxacin HCL – increased its pricing for that drug on December 19, 2014 to exactly match Dr. Reddy's WAC pricing. In the days leading up to the Actavis price increase, Rekenthaler of Teva spoke to Falkin of Actavis several times to coordinate the increase, including twice on December 17 (including one call lasting nearly nine (9) minutes) and once on December 18, 2014.

895. When Teva did follow the Dr. Reddy's (and Actavis) price increases on Ciprofloxacin HCL and Glimepiride, on January 28, 2015, Teva raised its WAC pricing to match Dr. Reddy's WAC prices exactly. That same day, Dr. Reddy's was (again) able to obtain a full copy of Teva's price increase list. That list included many drugs that Dr. Reddy's did not market.

iii. Griseofulvin

896. Griseofulvin Microsize Oral Suspension, also known by the brand name Grifulvin V, is a medication used to treat fungal infections of the skin, hair and nails that do not respond to creams or lotions. The medication works by stopping the growth of fungi.

897. On September 9, 2014, Actavis notified its customers of a price increase on Griseofulvin Microsize Oral Suspension. In the days leading up to September 9, 2014,

Patel and Rekenthaler of Teva communicated with Falkin and Rogerson of Actavis to coordinate the increase. Some of those calls are detailed below:

Date	Call Type	Target Name	Direction	Contact Name	Duration
9/3/2014	Voice	Rekenthaler, David (Teva)	Outgoing	Falkin, Marc (Actavis)	0:02:00
9/3/2014	Voice	Rekenthaler, David (Teva)	Outgoing	Falkin, Marc (Actavis)	0:01:00
9/4/2014	Voice	Rekenthaler, David (Teva)	Incoming	Falkin, Marc (Actavis)	0:01:00
9/4/2014	Voice	Rekenthaler, David (Teva)	Outgoing	Falkin, Marc (Actavis)	0:01:00
9/4/2014	Voice	Rekenthaler, David (Teva)	Incoming	Falkin, Marc (Actavis)	0:15:00
9/8/2014	Voice	Rekenthaler, David (Teva)	Outgoing	Falkin, Marc (Actavis)	0:02:00
9/8/2014	Voice	Rekenthaler, David (Teva)	Outgoing	Falkin, Marc (Actavis)	0:01:00
9/8/2014	Voice	Rekenthaler, David (Teva)	Incoming	Falkin, Marc (Actavis)	0:21:00
9/8/2014	Voice	Rekenthaler, David (Teva)	Outgoing	Falkin, Marc (Actavis)	0:05:00
9/9/2014	Voice	Patel, Nisha (Teva)	Incoming	Rogerson, Rick (Actavis)	0:04:32

The Actavis price increase for Griseofulvin became effective on October 6, 2014.

898. Teva promptly added Griseofulvin to its own price increase list, with the notation “Follow Competitor- Actavis” as the reason for the price increase.

899. Teva followed the Actavis increase for Griseofulvin during its next price increase event on January 28, 2015. As discussed above, in the days leading up to that price increase Rekenthaler of Teva and Falkin of Actavis coordinated frequently. Teva’s price increase for Griseofulvin Microsize Oral Suspension matched Actavis’s WAC pricing exactly.

3. Competitors Become “High Quality” After Successfully Colluding With Teva

a. May 2014: Patel Updates The Quality Competitor Rankings to Reflect New Relationships

900. A little more than a year after she first circulated her Quality of Competitor List, Patel finalized an updated list on May 9, 2014. This updated list reflected changes in Teva’s conspiratorial relationships.

901. Although certain competitors retained a high-quality ranking throughout the entire relevant time period – like Defendants Mylan, Sandoz, Actavis and Taro – other competitors saw their ranking increase (sometimes dramatically) after successfully colluding with Patel or others at Teva on one or more drugs during the prior twelve-month period. These changes demonstrate that Teva’s quality competitor rankings were, in reality, a list of co- conspirators that Teva could trust to adhere to the illegal agreements.

i. Apotex

902. Apotex, for instance, was one of Teva’s two lowest-ranked competitors in May 2013 with a ranking of -3. When Patel updated her Quality Competitor rankings in May 2014, however, Apotex was rated +2 – an increase in five points over that twelve-month period.

903. Apotex made this jump in Teva’s quality competitor rankings in large part due to Patel’s relationship with B.H., a sales executive at Apotex, and the successful coordination between Apotex and Teva in 2013 on Pravastatin and Doxazosin Mesylate, discussed above in Section IV.C.2.i.ii.

904. As noted above, Patel revised her May 2013 price increase list on May 29, 2013 to add, *inter alia*, Pravastatin. The day before – May 28 – Apotex increased its price on Pravastatin by over 100%. Apotex’s new, higher prices for Pravastatin exactly matched Glenmark’s May 16, 2013 price increase.

905. In the days leading up to Patel’s decision to add Pravastatin to her list of price increase candidates – and Apotex actually increasing its prices – Patel

communicated frequently with B.H. at Apotex. Between May 20 and May 24, 2013, the two spoke five (5) times.

906. Teva ultimately raised its prices on Pravastatin – to follow Glenmark, Apotex and Zydus – on August 9, 2013. In the days leading up to the Teva price increase, Patel spoke to B.H. at Apotex three (3) times to coordinate.

907. At the same time that Teva raised its prices on Pravastatin in August 2013, it also increased its pricing on Doxazosin Mesylate. Teva's new, increased price (a 1,053% increase) matched Apotex's (and Mylan's) recent price increases. Apotex itself had increased the price of this drug on July 23, 2013. B.H. of Apotex and Patel of Teva had one conversation the week before Apotex took the increase, in addition to coordinating before Teva followed on August 9, 2013.

908. Apotex soared dramatically in the quality competitor rankings for one additional reason: in April 2013, Apotex hired J.H. as a senior executive. Rekenthaler of Teva and J.H. began communicating regularly after J.H. was hired by Apotex. There is no record that they had ever communicated by phone before that.

909. That relationship continued through 2014. On April 4, 2014, Teva increased the price on Pentoxifylline by as much as 69%. Despite the fact that Apotex was the market leader at that time, Teva chose to lead the price increase on Pentoxifylline. In the weeks leading up to Teva's price increase, Rekenthaler of Teva engaged in numerous communications with J.H. at Apotex. The two spoke twice on March 7, 2014, for two (2) and three (3) minutes, respectively. They spoke again on March 20 for four (4) minutes, and again on March 25 for two (2) minutes. A week after

Teva increased its price – on April 11, 2014 – they spoke again for five (5) minutes. During these calls, Rekenthaler gathered Apotex’s pricing plans and conveyed them to Patel.

910. As a result of Patel and Rekenthaler’s successful coordination with Apotex executives, Patel dramatically increased Apotex’s quality competitor ranking in May 2014.

ii. Zydus

911. Zydus – like Apotex – had been one of Teva’s two lowest-ranked competitors in May 2013 with a ranking of -3. But, when Patel updated her quality competitor rankings in May 2014, Zydus was rated +2, an increase in five points over a twelve-month period. While Apotex’s increase in the ranking was due to Teva’s successful collusion with Apotex on several price increases in 2013 and 2014, Zydus’s increase was more personnel- oriented: Kevin Green, who had himself conspired with a number of competitors while at Teva (at the direction of and in coordination with Patel and Rekenthaler at Teva, among others) moved from Teva to Zydus in November 2013. With Green firmly installed at Zydus, Patel was emboldened to more fully include Zydus in the conspiracy.

912. Patel’s confidence was well-founded. In the year after Green joined Zydus, the two companies successfully conspired to divide markets and allocate customers relating to Zydus’s entry into the market for multiple drugs, including: Fenofibrate (February – March 2014), Paricalcitol (March – April 2014), Niacin (May – June 2014),

and Etodolac ER (May – July 2014). These agreements are discussed more fully above in Section IV.C.1.h.

913. Teva and Zydus also agreed to increase prices on Topiramate Sprinkles and Warfarin Sodium tablets. Zydus increased the price for both of those drugs on June 13, 2014. Teva followed with an increase on both drugs on August 28, 2014. With respect to the Topiramate Sprinkles, Teva was explicit in its internal communications that its increase was to “follow competitor,” namely Zydus.

914. In the days leading up to both companies’ price increases, Green and Patel communicated frequently to coordinate the price increases. On June 19, 2014 – four days before Zydus increased its prices – Green and Patel spoke four (4) times. And on August 27, 2014 – the day before Teva raised its prices – Green and Patel spoke three (3) times.

915. Green was also communicating frequently with Rekenthaler of Teva around the time of the price increases on Topiramate Sprinkles and Warfarin Sodium tablets. On June 11, 2014, the two men spoke for eight (8) minutes. On August 20, the two exchanged an additional pair of phone calls.

916. Patel and Rekenthaler did not communicate with Green in isolation. The two Teva executives made sure to keep each other apprised of their conversations with competitors, including Green. In early 2014, Patel and Rekenthaler both worked largely out of Teva’s home office. After either one of them engaged in a phone call with a competitor, he or she would be sure to provide an in-person debrief of the communication so as to avoid putting such information in writing.

917. Even before Green joined Zydus in November 2013, Teva had some success in coordinating price increases with Zydus. As discussed above, Patel decided to add Pravastatin to her price increase list only after determining that Zydus agreed to the increase. In the week leading up to Patel's decision to revise her price increase list to include Pravastatin, Green (still at Teva) spoke to K.R. and M.K., both senior executives at Zydus.

918. Just two weeks later, on June 14, 2013, Zydus increased its price on Pravastatin by over 150%. Green similarly had numerous conversations with Zydus executives in the week prior to that company's Pravastatin increase, as shown in the table below:

Date	Call Typ	Target Name	Direction	Contact Name	Duration
6/9/2013	Voice	Green, Kevin (Teva)	Outgoing	M.F. (Zydus)	0:12:00
6/10/2013	Voice	Green, Kevin (Teva)	Outgoing	M.K. (Zydus)	0:02:00
6/11/2013	Voice	Green, Kevin (Teva)	Outgoing	K.R. (Zydus)	0:01:00
6/11/2013	Voice	Green, Kevin (Teva)	Outgoing	M.K. (Zydus)	0:26:00
6/11/2013	Voice	Green, Kevin (Teva)	Outgoing	M.K. (Zydus)	0:03:00
6/12/2013	Voice	Green, Kevin (Teva)	Incoming	K.R. (Zydus)	0:22:00
6/12/2013	Voice	Green, Kevin (Teva)	Incoming	K.R. (Zydus)	0:14:00
6/12/2013	Voice	Green, Kevin (Teva)	Incoming	K.R. (Zydus)	0:01:00
6/13/2013	Voice	Green, Kevin (Teva)	Outgoing	M.F. (Zydus)	0:16:00

919. As noted above, Teva ultimately raised its prices on Pravastatin on August 9, 2013. At that time, Patel recommended that Teva follow the competitors that had already raised their prices - including Zydus. Prior to Teva raising its prices on August 9, 2013, Green spoke to K.R. at Zydus three times- twice on August 4, 2013 and once on August 5.

iii. Heritage

920. Heritage, like Apotex and Zydus, was not a highly-ranked competitor when Patel first created the quality of competitor ranking list in May 2013. Initially, Patel gave Heritage a ranking of “0.” However, when Patel updated her quality competitor rankings in May 2014, Heritage received the highest possible ranking of +3.

921. The reason for Heritage’s significant improvement in Patel’s quality competitor rankings was the relationship that Patel established with the Vice President of Heritage, Jason Malek. After moving to Teva, Patel began communicating with Malek by phone as early as July 9, 2013. From that date until July 25, 2014, the two spoke by phone at least 37 times.

922. Heritage’s successful effort to coordinate price increases with Teva on various drugs such as Acetazolamide, Glipizide-Metformin, Glyburide, Glyburide-Metformin, Leflunomide, Nystatin, and Theophylline is described in UHS’s January 16, 2019 Complaint in *United HealthCare Services, Inc. v. Actavis Holdco U.S., Inc., et al.*, 19-cv-00629-CMR (E.D. Pa.), which is incorporated herein by reference.

iv. Lupin

923. In Patel’s initial May 2013 quality competitor ranking list, Defendant Lupin was given a ranking of +2. When Patel updated her quality competitor rankings a year later, Lupin received the highest possible rating of +3.

924. Defendant Lupin was awarded the highest score in the quality competitor ranking in 2014 because Berthold of Lupin earned Patel’s trust by consistently agreeing to her price increase plans. From May 2013 through April 2014, for example, Patel and

Berthold spoke at least 76 times by phone. Green, while still at Teva, also had a very strong relationship with Berthold. As discussed above, at times Patel and Green would even coordinate with each other regarding which one of them should coordinate a price increase or customer allocation agreement with Berthold.

925. As discussed more fully above, in 2013 – after Patel joined Teva – Teva and Lupin conspired to fix and raise prices on at least the following four drugs: Cefdinir Oral Suspension, Cefdinir Capsules, Cefprozil Tablets and Pravastatin. Then in early 2014, executives at the two companies coordinated Lupin’s entrance into the market for Balziva.

926. The relationship was so strong between Teva and Lupin that even when Green left Teva, and Patel was out of the office on maternity leave, Berthold still found other executives at Teva to communicate with regarding a price increase for the drug Cephalexin Oral Suspension. As discussed above, in October 2013 Berthold called Rekenthaler and T.S., a national account executive at Teva, to coordinate Lupin’s November 1, 2013 price increase for Cephalexin Oral Suspension. When Patel returned from maternity leave and began planning the next round of Teva price increases, she continued these communications with Berthold until Teva followed Lupin’s price increase on April 4, 2014.

927. Patel and Berthold also coordinated a price increase and market allocation scheme with regard to the drug Niacin ER, as Lupin was entering the market in March 2014. Given the successful track record between the two competitor companies, Lupin warranted a +3 in the quality competitor rankings when Patel updated them in May 2014.

v. *Par*

928. In Patel's initial May 2013 quality competitor ranking list, Defendant Par was given a ranking of +1. When Patel updated her quality competitor rankings a year later, Par improved to a ranking of +2.

929. Defendant Par rose in the rankings largely because of several strong relationships between executives at the two companies. For example, T.S., a national sales executive at Teva, had a strong relationship with R.K., a senior sales executive at Par. The two began communicating by telephone in September 2013. Between September 2013 and May 2014, the two spoke at least twenty-seven (27) times by phone.

930. Similarly, Rekenthaler at Teva had a very strong relationship with another senior executive at Par, M.B. Rekenthaler spoke with M.B. frequently throughout 2013 and 2014. From the beginning of 2013 through May 2014, Rekenthaler spoke to M.B. at Par at least thirty-two (32) times by phone.

931. Patel was well aware of these strong relationships, and relied on the information that T.S. and Rekenthaler obtained from their communications with senior Par executives in order to make pricing or bidding decisions for Teva's drugs. One such example occurred on Friday, February 7, 2014 when Teva received notice from a customer that it had received a competitive challenge from Par on the drug Labetalol HCL Tablets. Patel forwarded the e-mail to T.S. with three question marks: "???" T.S. responded immediately: "left message." The message that T.S. had left was for R.K. at Par, and the two executives spoke five (5) times that same day. After these calls with

R.K., T.S. responded back to Patel saying “[l]et’s speak on Monday. Just received call back with more information.”

932. The following Monday, Patel also forwarded the original e-mail (discussing the competitive challenge from Par on Labetalol) to Rekenthaler, saying “[n]eed to make a decision quickly.” One (1) minute after receiving that e-mail, Rekenthaler called M.B. at Par and the two spoke for eighteen (18) minutes. Shortly after hanging up the phone with M.B., Rekenthaler sent another e-mail to Patel, stating: “[h]old off on this until I get back with you.” Rekenthaler spoke to M.B. again later that afternoon for three (3) minutes.

933. After these discussions between Teva and Par executives, Teva ultimately offered only a nominal price reduction to that customer – knowing that this would likely concede the business to Par.

934. As discussed more fully above, Teva continued to conspire with Defendant Par on various market allocation and price fixing schemes throughout the remainder of 2014 and into 2015.

vi. Greenstone

935. Greenstone was not a highly-ranked competitor when Patel first created the quality competitor ranking list in May 2013. Patel had, at that time, given Greenstone a ranking of “0.” However, when Patel updated her quality competitor rankings in May 2014, Greenstone improved to a +1 ranking.

936. One of the reasons for Greenstone’s improvement in the rankings was Patel’s developing relationship with Defendant R.H., a national account executive at

Greenstone. Patel and R.H. were former co-workers at ABC, and had a longstanding relationship. From the time Patel started her employment at Teva in April 2013, through the time that she updated the quality competitor rankings in May 2014, Patel and R.H. communicated by phone or text at least 66 times. Patel also spoke to R.H.'s supervisor, Jill Nailor of Greenstone, numerous times in early 2014 to coordinate Greenstone and Teva price increases and customer allocation agreements.

937. Patel and R.H. of Greenstone spoke consistently at or around the time of every price increase effectuated by either company on drugs where they overlapped, including for example: July 3, 2013 – the day of Teva's price increase on Fluconazole; December 2, 2013 the day that Greenstone sent notices to customers of its price increases on Azithromycin Suspension, Azithromycin Oral Suspension and Medroxyprogesterone; and April 4, 2014 – the day that Teva followed Greenstone's price increases on Azithromycin Suspension, Azithromycin Oral Suspension and Medroxyprogesterone.

938. Given the willingness of Greenstone's executives to coordinate price increases with Teva, Patel increased Greenstone's quality competitor ranking in May 2014.

vii. Amneal

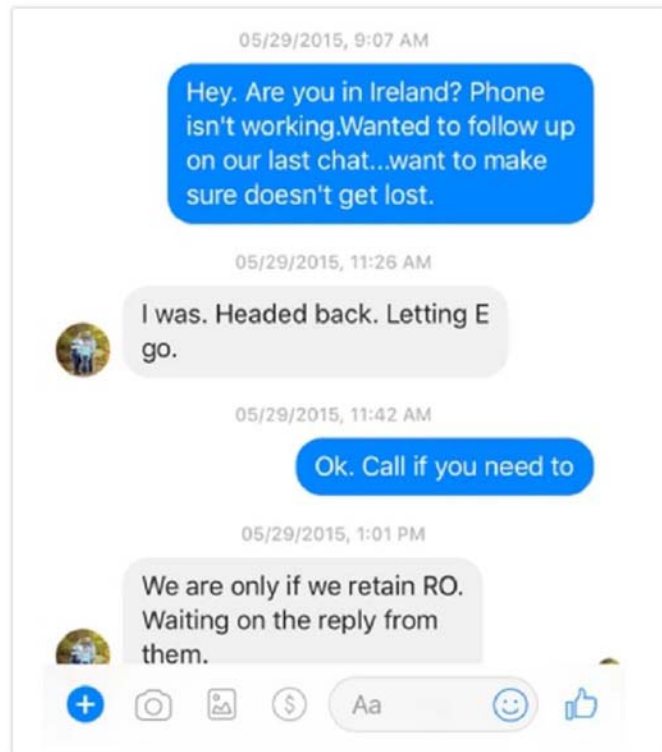
939. In Patel's initial May 2013 quality of competitor ranking list, Defendant Amneal was given a ranking of +1. When Patel updated her quality competitor rankings a year later, Amneal improved to a ranking of +2.

940. One of the reasons why Defendant Amneal rose in the rankings was because of several strong relationships between executives at the two companies. For

example, Rekenthaler of Teva had a strong relationship with S.R.(2), a senior sales executive at Amneal. From May 2013 to May 2014, they spoke eight (8) times by phone, and attended many trade association meetings and customer conferences together as well. Rekenthaler and S.R.(2) were regular participants in an annual golf outing hosted by a packaging contractor in Kentucky, where – as discussed above – the generic drug manufacturer participants (competitors) played golf by day and gathered socially by night, referring to each other as “friends” and “fraternity brothers.” (Green and Ostaficiuk were also participants.)

941. Similarly, Patel also developed strong relationships with two Amneal executives: S.R.(1), a senior sales and finance executive at Amneal, and S.R.(2). As discussed above, Patel and S.R.(1) coordinated price increases for the drugs Norethindrone Acetate (September 2014) and Bethanechol Chloride (January 2015).

942. Patel also spoke to S.R.(2) regarding Norethindrone Acetate in September 2014, and continued to communicate with S.R.(2) into at least 2015 – sometimes using alternative forms of communication. In addition to their cell phones, the two executives also used Facebook Messenger to coordinate anticompetitive conduct. In the message exchange below (relating to a drug not identified in this Complaint), S.R.(2) informs Patel that Amneal will concede one customer – Econdisc (“E”) – so long as Amneal is able to retain another large customer, Red Oak Sourcing (“RO”):



On the day of this message exchange, Patel and S.R.(2) also spoke by phone for nearly five (5) minutes.

viii. Rising

943. In Patel's initial May 2013 quality competitor ranking list, Rising was given a ranking of +1. When Patel updated her quality competitor rankings a year later, Rising improved to a ranking of +2.

944. Rising improved in the quality competitor rankings because of the relationship between Rekenhaller and CW-2. In 2013, CW-2 left Sandoz to join Rising. At that time, Rising was already preparing to enter the market for a drug called Hydroxyzine Pamoate. Teva was one of the competitors already in that market. During several calls in early October 2013, CW-2 coordinated with Green and Rekenhaller of

Teva to acquire a large customer and facilitate Rising's entry into the Hydroxyzine Pamoate market.

945. Later, in March 2014, CW-2 sought to return the favor. At that time, Rising experienced supply problems for the drug Diflunisal Tablets – a two-player market involving only Teva and Rising. In an effort to “play nice in the sandbox,” and to further the ongoing understanding between the two competitors, CW-2 contacted Rekenthaler of Teva and informed him of Rising's supply problems and the fact that Rising may have to leave the market at some point in the future. The purpose for the call was to alert Rekenthaler that Teva would have the opportunity to take a price increase, as Rising would not be in a position to take on any additional market share.

946. On April 4, 2014, Teva increased the price on Diflunisal Tablets (by as much as 182%), as well as Hydroxyzine Pamoate (by as much as 165%). In the weeks leading up to those price increases, Rekenthaler communicated several times with CW-2 at Rising to coordinate the increases. The two spoke by phone twice on March 17, 2014 and once on March 31.

947. When Rising decided to leave the Diflunisal market in mid-July 2014, CW-2 called Rekenthaler to let him know. Four months later – after Rising remedied its supply problems – Rising re-entered the market for Diflunisal. Consistent with the fair share understanding discussed above, and the rules of engagement that were generally followed in the industry, CW-2 and Rekenthaler communicated in advance of Rising's re-entry to identify specific customers that Rising would obtain and, most importantly, to ensure the retention of the high prices that Teva had established through its price increase

in April 2014. On December 3, 2014, Rising re-entered the market for Diflunisal Tablets. Its new pricing matched Teva's WAC price increase from April 2014.

948. Rekenthaler's successful efforts to coordinate price increases and customer allocation agreements with CW-2 of Rising led Patel to increase Rising's quality competitor ranking in May 2014.

ix. Breckenridge

949. In Patel's initial May 2013 quality competitor ranking list, she gave Breckenridge a ranking of +1. When Patel updated her quality competitor rankings a year later, Breckenridge improved to a ranking of +2.

950. Breckenridge improved in the quality competitor rankings largely because of the strong relationship established between Patel and Rekenthaler and certain executives at Breckenridge, which led to several successful price increases.

951. For example, on November 14, 2013, Breckenridge increased the WAC pricing of both Mimvey and Cyproheptadine HCL Tablets. In the weeks leading up to those Breckenridge price increases, Rekenthaler communicated by phone several times with D.N., a sales executive at Breckenridge. The two spoke twice on October 14, 2013 and once on October 24, 2013. The call on October 24 lasted twenty-six (26) minutes.

952. On April 4, 2014, Teva followed the Breckenridge price increases on Mimvey Tablets (increasing the WAC pricing by over 100%) and Cyproheptadine HCL Tablets (increasing the WAC pricing by over 90%), to match Breckenridge's WAC pricing on both products. Teva raised prices even higher on its customer contracts. Teva

increased the contract pricing of Mimvey by as much as 393%, and the contract pricing of Cyproheptadine HCL Tablets by as much as 526%, depending on the dosage strength.

953. As Patel planned for Teva's April 4, 2014 price increases, both she and Rekenthaler continued to communicate with their counterparts at Breckenridge. Rekenthaler spoke to D.N. at Breckenridge on January 15, 2014 – the day after Patel sent her first list of "Increase Potentials Q1 2014" to K.G. – for nineteen (19) minutes. Similarly, Patel spoke with S.C. – a sales executive at Breckenridge – two times on February 7, 2014, as she was determining whether Teva should provide a bid to a customer. After her discussions with S.C., Teva declined to bid for the business in order to avoid taking market share away from Breckenridge as a result of the price increases.

954. As a result of the successful coordination of these price increases between Teva and Breckenridge, Patel increased Breckenridge's quality competitor ranking in May 2014.

x. Glenmark

955. Not every Teva competitor saw its quality competitor ranking increase between 2013 and 2014. Defendant Glenmark, for example, declined slightly in the rankings. In Patel's initial May 2013 quality competitor ranking list, Glenmark was given a ranking of +3. When Patel updated her quality competitor rankings a year later, Glenmark was given a ranking of +2.

956. The reason that Defendant Glenmark declined in the rankings was because Patel lost her most valuable relationship at that company – CW-5. CW-5 left Glenmark in April 2014. In the eleven-month period between Patel joining Teva in late April 2013 and

CW-5 leaving Glenmark in April 2014, the two competitors communicated by phone or text message 121 times. They also communicated frequently using an encrypted messaging application, WhatsApp. As discussed more fully above, starting in early May 2013 Teva and Glenmark conspired to fix and raise prices on a number of drugs, including: Adapalene, Nabumetone, Fluconazole Tablets, Ranitidine, Moexipril, Moexipril HCTZ and Pravastatin.

957. In addition to CW-5, Patel also had other contacts at Glenmark – which is why Glenmark did not fall dramatically in the quality competitor rankings when CW-5 left the company. For instance, Patel exchanged 44 phone calls or text messages with J.C., a sales and marketing executive at Glenmark, between May 2013 and July 2015. Similarly, Patel exchanged 36 calls with Jim Brown, the Vice President of Sales at Glenmark, between August 2013 and October 2014. As discussed more fully above, Patel continued to coordinate with J.C. and Brown throughout 2014 on several drugs, including Kariva and Gabapentin Tablets – demonstrating that Glenmark remained a quality competitor even after CW-5 left the company.

4. “Quality Competitors” Collude With Each Other As Well (Not Just With Teva)

a. *One Example: The Sandoz/Mylan Relationship*

958. In addition to conspiring with Teva, the “quality” competitors also colluded with each other on drugs that Teva did not market. Indeed, each of the quality competitors had their own set of relationships with their counterparts at competitor companies that they used to facilitate agreements regarding drugs where they overlapped.

The relationship highlighted in this section is the relationship between executives at Defendants Sandoz and Mylan. However, to the extent that some of the drugs at issue involve additional competitor companies, those relationships are also discussed.

959. In September 2012, CW-4 was concerned about her job security at Sandoz and sought to network with executives at competing companies in the hope of obtaining new employment. CW-4 contacted Nesta because she was interested in potentially working at Mylan. CW-4 obtained Nesta's phone number from a mutual contact and called to introduce herself. During that phone call, Nesta immediately started talking about competitively-sensitive information. Although CW-4 was surprised that Nesta was being so blatant, she did not stop him.

960. In the year that followed, between September 2012 and October 2013, CW-4 and Nesta developed an ongoing understanding that they would not poach each other's customers and would follow each other's price increases. Notably, CW-4 and Nesta were not friends and communicated almost exclusively by phone. Examples of their coordination with respect to specific drugs are discussed in more detail below.

i. Market Allocation – Valsartan HCTZ

961. The first drug that CW-4 and Nesta coordinated about was Valsartan HCTZ. Valsartan HCTZ, also known by the brand name Diovan, is used to treat high blood pressure.

962. Diovan was a large volume drug that had sales in the United States of approximately \$1.6 billion for the 12 months ending June 30, 2012.

963. Mylan was the first to file an abbreviated new drug application (ANDA) to market the generic version – Valsartan HCTZ – which, if approved, would give Mylan 180 days of generic exclusivity. Sandoz manufactured the authorized generic. This meant that Sandoz and Mylan would be the only two manufacturers of the generic version of the drug for six months.

964. Mylan and Sandoz launched Valsartan HCTZ on the same day – September 21, 2012. In the days leading up to the launch, CW-4 and Nesta spoke at least twenty-one (21) times by phone during which they discussed, among other things, allocating market share for this product. These calls are detailed in the table below:

Date	Call Typ	Target Name	Direction	Contact Name	Duration
9/6/2012	Voice	Nesta, Jim (Mylan)	Outgoing	CW-4 (Sandoz)	0:20:01
9/6/2012	Voice	Nesta, Jim (Mylan)	Incoming	CW-4 (Sandoz)	0:00:11
9/6/2012	Voice	Nesta, Jim (Mylan)	Outgoing	CW-4 (Sandoz)	0:00:05
9/6/2012	Voice	Nesta, Jim (Mylan)	Incoming	CW-4 (Sandoz)	0:01:18
9/6/2012	Voice	Nesta, Jim (Mylan)	Outgoing	CW-4 (Sandoz)	0:05:22
9/7/2012	Voice	Nesta, Jim (Mylan)	Outgoing	CW-4 (Sandoz)	0:00:43
9/7/2012	Voice	Nesta, Jim (Mylan)	Outgoing	CW-4 (Sandoz)	0:11:35
9/7/2012	Voice	Nesta, Jim (Mylan)	Incoming	CW-4 (Sandoz)	0:01:03
9/12/2012	Voice	Nesta, Jim (Mylan)	Outgoing	CW-4 (Sandoz)	0:22:22
9/12/2012	Voice	Nesta, Jim (Mylan)	Incoming	CW-4 (Sandoz)	0:01:35
9/12/2012	Voice	Nesta, Jim (Mylan)	Outgoing	CW-4 (Sandoz)	0:00:06
9/13/2012	Voice	Nesta, Jim (Mylan)	Outgoing	CW-4 (Sandoz)	0:11:26
9/13/2012	Voice	Nesta, Jim (Mylan)	Incoming	CW-4 (Sandoz)	0:00:19
9/13/2012	Voice	Nesta, Jim (Mylan)	Incoming	CW-4 (Sandoz)	0:00:57
9/13/2012	Voice	Nesta, Jim (Mylan)	Outgoing	CW-4 (Sandoz)	0:05:22
9/13/2012	Voice	Nesta, Jim (Mylan)	Incoming	CW-4 (Sandoz)	0:03:30
9/14/2012	Voice	Nesta, Jim (Mylan)	Outgoing	CW-4 (Sandoz)	0:07:36
9/17/2012	Voice	Nesta, Jim (Mylan)	Incoming	CW-4 (Sandoz)	0:00:09
9/17/2012	Voice	Nesta, Jim (Mylan)	Outgoing	CW-4 (Sandoz)	0:03:32
9/19/2012	Voice	Nesta, Jim (Mylan)	Outgoing	CW-4 (Sandoz)	0:02:40
9/19/2012	Voice	Nesta, Jim (Mylan)	Incoming	CW-4 (Sandoz)	0:00:51

965. During these phone calls, Sandoz and Mylan- through CW-4 and Nesta - agreed to divvy up the market so that each competitor obtained roughly a 50% market share.

966. Throughout this time, CW-4 also kept Kellum (her supervisor) regularly informed of her discussions with Nesta and met with Kellum in person to discuss her customer accounts, including a meeting on September 14, 2012.

967. On September 21, 2012 - the date of the Valsartan HCTZ launch - R T., a senior sales and marketing executive at Sandoz, sent an internal e-mail stating “[a]s a cross functional team, we have optimized this launch successfully securing ~52% market share vs. a formidable competitor like Mylan. . . . you should be very proud!”

968. That same day, Mylan issued a press release announcing that it had received final FDA approval to market generic Valsartan HCTZ. In an internal series of e-mails reacting to this news, a Sandoz employee remarked: “Fyi, good news, Mylan has 180 days as expected.” H.F., a senior-most executive of Sandoz Germany responded, “...sometimes a little help from our competition is welcome as well.” D.D., a senior-most executive of Sandoz North America, replied:

I guess this is what they call “co-opetition”.

969. Kellum forwarded Mylan’s press release announcing the Valsartan launch to the Sandoz pricing and sales teams. S.G., a national account executive at Sandoz, replied “Hallelulah!!!!!!!!!!!!!! (sic).”

970. On September 25, 2012 – only four days after the launch – ABC contacted Sandoz seeking a price reduction on Valsartan HCTZ. S.G. forwarded the request to CW-1 and Kellum stating “ABC has provided additional information regarding the market pricing on Valsartan HCTZ (specifically to McK [a Mylan customer]). Please review and advise if Sandoz will continue to let the market settle or move in a different direction. Kellum replied, “[n]o price change.”

971. On November 16, 2012, Sandoz executives met to discuss increasing sales for Valsartan HCTZ. R.T. sent an internal e-mail in advance of the meeting asking “Are there opportunities with non-Sandoz customers that we should evaluate?” After a colleague responded with a list of potential Mylan customers, Kellum responded, “I’m concerned we are going to disrupt the market. I understand the need for additional sales but we need to be thoughtful here.” R.T. then informed the Sandoz team “Do not approach new customers, with[out] me or Armando [Kellum]’s consent.”

ii. Price Increases – Summer 2013

972. As detailed in Section IV.C.2.g.iii above, after Mylan and Teva implemented significant price increases in early July 2013, Sandoz executives sought to obtain a “comprehensive list” of those Teva and Mylan price increases. Sandoz sought this information because it did not want to accidentally compete for market share on any of the Teva or Mylan drugs that overlapped with Sandoz.

973. To that end, on July 15, 2013, Sandoz executives held an internal meeting during which CW-1 instructed members of the Sandoz sales team, including CW-2 and CW-4, “to investigate [the] list of Mylan and Teva increase items.”

974. That same day, as detailed above, CW-2 contacted his counterpart at Teva, Rekenthaler, and obtained the list of drugs that Teva increased on July 3, 2013, along with the percentage increases for each. Similarly, on July 16, 2013, CW-4 called her contact at Mylan, Nesta. The call lasted two-and-a-half (2.5) minutes. A half hour later, Nesta returned the call and they spoke for nearly nineteen (19) minutes.

975. During those two calls, CW-4 asked Nesta to identify the drugs Mylan had increased prices on so that Sandoz could follow with its own price increase. Nesta provided CW-4 with a list of drugs, highlighting that the Nadolol price increase would be large. Nesta also emphasized that Mylan did not appreciate having its prices challenged and that prices should be kept high. After the phone call ended, CW-4 sent the following e-mail to her superiors (the "July 2013 E-mail"):

From: [REDACTED]
Sent: Tuesday, July 16, 2013 6:31 PM
To: [REDACTED] Kellum, Armando; [REDACTED]
Subject: Price increases

Here are some of the pricing increases from Mylan I was able to garner. These are reportedly to be BIG increases,

Bupropion HCL
 Diltiazem HCL
 Haloperidol
 Clomipramine
 Sotalol
 Tizanidine
 Peprhenazine
 Levothyroxine (Lanette followed)
 Nadolol

There were others but ones we don't have. There may be others we have, but this is all I was able to get. Pretty well anything we get from a customer that isn't supply obviously is due to pricing increase.

If a specific product is questionable, let me know and I'll find out about it.

[REDACTED]

976. For at least one drug on the list – Haloperidol – Mylan had yet to raise price at the time of the July 2013 E-mail. Indeed, Mylan would not raise price on this product until August 9, 2013. On that date, Mylan also raised the price on Levothyroxine – a drug on the list that was also increased by Mylan in January 2013 – and at least two other Sandoz overlap drugs not on the list – Trifluoperazine HCL and Benazepril HCTZ.

977. Over the next several months, and consistent with their understanding, Sandoz declined to bid and take business from Mylan customers (except in one instance where Mylan had more than its fair share) and raised prices to match Mylan on a number of products. Some examples of this conduct are detailed below.

(a) Haloperidol and Trifluoperazine HCL

978. Haloperidol, also known by the brand name Haldol, and Trifluoperazine HCL, also known by the brand name Stelazine, are antipsychotic drugs that are used to treat disorders such as schizophrenia and Tourette syndrome.

979. On August 6, 2013, Nesta of Mylan called CW-4 at Sandoz twice. Both calls were less than a minute long. Three days later, on August 9, 2013, Mylan implemented significant price increases on both Haloperidol and Trifluoperazine HCL. For Haloperidol, Mylan increased the WAC price by 250% on several formulations. For Trifluoperazine HCL, Mylan increased the WAC price by 80% on all formulations.

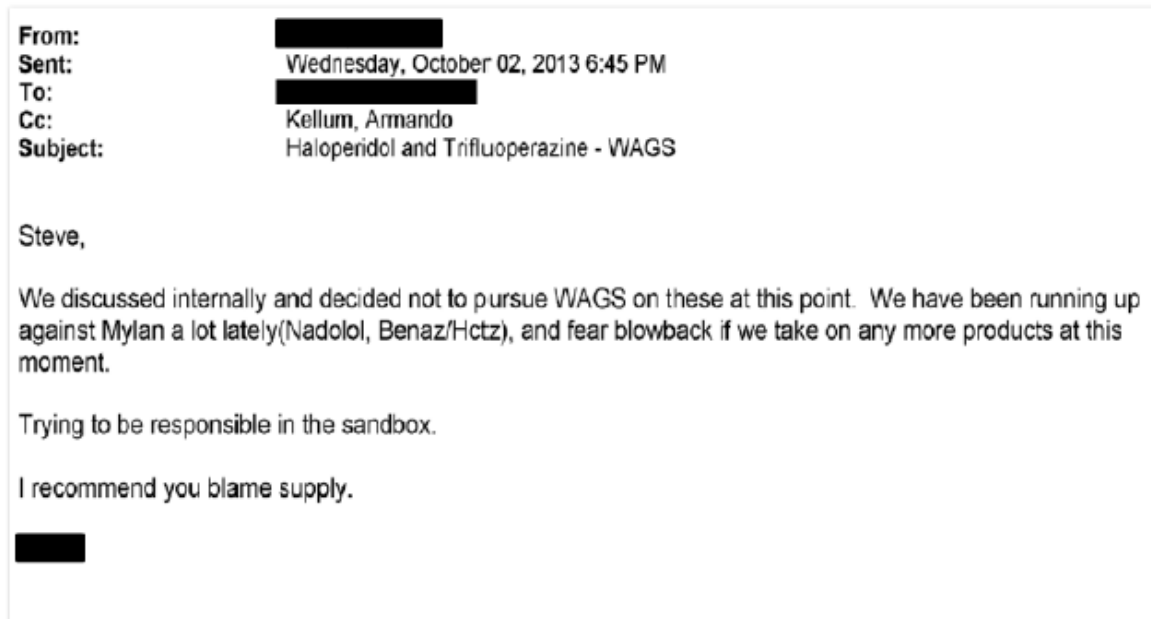
980. On August 19, 2013, S.G., a national account executive at Sandoz, sent an internal e-mail stating that Mylan increased its prices on Haloperidol and Trifluoperazine and that Sandoz needed to “rationalize the market.”

981. On August 22, 2013, CW-2 e-mailed Kellum stating that CVS “wanted to know if we will be raising price on Haloperidol and Trifluoperazine. Mylan took substantial increases.” Kellum forwarded the request to CW-1 and F.R., a pricing manager at Sandoz. F.R. responded, “I believe the answer is yes?? We bid at current price in RFP and did not go after this business. I would answer yes. Thoughts?” CW-1 replied that he would obtain the pricing data, “but I would imagine we will be fast followers.”

982. On September 18, 2013, CW-1 e-mailed Kellum with his price increase analyses for Haloperidol and Trifluoperazine HCL. For Haloperidol, CW-1 indicated that Mylan had 72% market share, Sandoz had 15%, and Zydus had 10%. For Trifluoperazine HCL, CW-1 stated that “Mylan has 73% and we have 24%. This is a no brainer.”

983. On September 25, 2013, Walgreens – a Mylan customer – e-mailed Sandoz asking for bids on Haloperidol and Trifluoperazine HCL. CW-1 sent an internal e-mail explaining that “Mylan took a price increase on this product. That’s why he is asking. We are currently evaluating tak[ing] one ourselves.”

984. On October 2, 2013, CW-1 e-mailed S.G., the Sandoz national account executive assigned to Walgreens, directing S.G. to not only decline to bid at Walgreens, but also lie about the reason for doing so:



985. Over the next several days, CW-4 and Nesta spoke by phone several times. These communications are detailed in the table below. Prior to these calls, CW-4 and Nesta had not communicated by phone since August 6, 2013.

Date	Call Type	Target Name	Direction	Contact Name	Duration
10/3/2013	Voice	Nesta, Jim (Nesta)	Outgoing	CW-4 (Sandoz)	0:00:00
10/3/2013	Voice	Nesta, Jim (Nesta)	Outgoing	CW-4 (Sandoz)	0:02:09
10/4/2013	Voice	Nesta, Jim (Nesta)	Incoming	CW-4 (Sandoz)	0:00:00
10/4/2013	Voice	Nesta, Jim (Nesta)	Incoming	CW-4 (Sandoz)	0:10:56
10/4/2013	Voice	Nesta, Jim (Nesta)	Outgoing	CW-4 (Sandoz)	0:00:24
10/4/2013	Voice	Nesta, Jim (Nesta)	Outgoing	CW-4 (Sandoz)	0:00:05
10/4/2013	Voice	Nesta, Jim (Nesta)	Outgoing	CW-4 (Sandoz)	0:00:00
10/14/2013	Voice	Nesta, Jim (Nesta)	Incoming	CW-4 (Sandoz)	0:11:19

986. On October 15, 2013 (the day after the last of the phone calls noted above), CW-1 e-mailed the Sandoz Pricing Committee recommending that Sandoz increase pricing on Haloperidol and Trifluoperazine HCL. After reviewing the e-mail, O.K., a senior executive responsible for business planning at Sandoz, recommended approval of

the Haloperidol price increase, but advised that Sandoz wait to increase the price of Trifluoperazine HCL until January 2014 because of price protection penalties that would be triggered if Sandoz increased in October 2013. As O.K. explained, “I understand that both price increases have been taken by Mylan in August and we are the followers. We might be sending the wrong signal to Mylan by not following promptly however 1.6m top/bottom-line hit with no upside is too big to swallow.”

987. Ultimately, Sandoz followed O.K.’s recommendation and increased its WAC pricing on Haloperidol to match Mylan’s pricing on October 25, 2013, but waited to follow on Trifluoperazine HCL until January 31, 2014.

(b) Benazepril HCTZ

988. Benazepril HCTZ, also known by the brand name Lotensin, is an angiotensin converting enzyme (ACE) inhibitor that is used to treat high blood pressure.

989. In July 2013, Sandoz finalized its plan to re-launch Benazepril HCTZ. However, because Sandoz executives knew that Mylan planned to increase price on this product, it chose to wait to re-enter the market until after Mylan increased its price so that Sandoz could enter at the higher price.

990. On July 12, 2013, a marketing executive at Sandoz sent an internal e-mail regarding “Benazepril Orders for Cardinal” stating: “[b]efore any release, we are expecting Mylan to raise their price.” Similarly, during a Commercial Operations meeting on July 15, 2013, it was confirmed that Sandoz was just waiting for confirmation of a Mylan price increase before re-entering the market.

991. The next day, on July 16, 2013, CW-4 spoke with Nesta and sent the July 2013 E-mail outlining the Mylan price increase drugs that Nesta had provided to her (discussed more fully above). That list did not include Benazepril HCTZ. CW-1 forwarded the July 2013 E-mail to Kellum stating “See [CW-4’s] note below for Mylan increases....I’m suprised benazepril hctz isn’t on the list below for Mylan?” CW-1 then e-mailed CW-4 asking, “Benazepril hctz? Was hoping to see that one.”

992. Over the next few days, CW-4 and Nesta communicated several times, during which they discussed Benazepril HCTZ. These phone calls are detailed below:

Date	Call Type	Target Name	Direction	Contact Name	Time	Duration
7/18/2013	Voice	Nesta, Jim (Mylan)	Incoming	CW-4 (Sandoz)	14:32:56	0:00:31
7/18/2013	Voice	Nesta, Jim (Mylan)	Outgoing	CW-4 (Sandoz)	14:41:59	0:01:21
7/19/2013	Voice	Nesta, Jim (Mylan)	Outgoing	CW-4 (Sandoz)	13:13:44	0:00:04
7/19/2013	Voice	Nesta, Jim (Mylan)	Outgoing	CW-4 (Sandoz)	13:14:20	0:01:57
7/19/2013	Voice	Nesta, Jim (Mylan)	Outgoing	CW-4 (Sandoz)	13:24:49	0:03:11

993. On August 2, 2013, CW-1 sent a spreadsheet to Kellum entitled, “Teva increases July 2013.” In the e-mail, CW-1 stated: “Mylan is also in there. Be on the lookout for bumetanide and Benazepril/hctz.”

994. One week later, on August 9, 2013, Mylan increased WAC pricing on Benazepril HCTZ. The increase was large - nearly 334% on all dosage strengths.

995. On August 20, 2013, consistent with their agreement to maintain high prices, Sandoz quickly re-entered the Benazepril HCTZ market and essentially matched Mylan’s WAC pricing.

996. A third competitor - Rising - entered the Benazepril HCTZ market on April 2, 2014 as the authorized generic. When Rising entered, it essentially matched the WAC

pricing of Sandoz and Mylan. Both before and after entering the market, CW-2 - then at Rising - communicated with his former colleagues at Sandoz (CW-1, CW-3, and L.J.) about obtaining market share on Benazepril HCTZ. Through those communications, Sandoz ultimately agreed to relinquish ABC to Rising so that the new entrant could achieve its fair share of the market.

(c) *Levothyroxine*

997. Levothyroxine is a synthetic form of the thyroid hormone thyroxine used to treat hypothyroidism, goiter, thyroid cancer, and cretinism.

998. Levothyroxine was the second most prescribed drug, measured by number of prescriptions, in the United States in the first quarter of 2010. Over 120 million prescriptions are written annually for Levothyroxine in the United States, treating 15% of the population over the age of 55.

999. Since approximately December 2010, Defendants Mylan, Sandoz, and Lannett have dominated the generic Levothyroxine market.

1000. In the years 2013 and 2014, the three competitors coordinated to significantly raise the price of Levothyroxine. Nesta of Mylan spearheaded the discussions by speaking with K.S., a senior sales executive at Lannett, and with CW-4 of Sandoz. In addition to communicating directly with CW-4 on this drug, Nesta also communicated indirectly with Sandoz through a mutual contact at a competitor company – Green of Teva. Notably, Levothyroxine was not a drug that Teva sold.

1001. As detailed above, Mylan increased prices on a number of drugs on January 4, 2013, including Levothyroxine. The day before the Mylan increase, on January 3,

2013, Nesta of Mylan and Green of Teva spoke at least four times by phone. The next morning – the day of the Mylan price increases – Green spoke twice with Kellum, including a six (6) minute call at 9:34am.

1002. Shortly after hanging up the phone with Green, Kellum sent an internal e-mail stating, among other things, that he “[j]ust heard from a customer that . . . Mylan took a significant price increase on Levothyroxine” and Kellum advised his team to “please be cautious” on this product. As the phone records demonstrate, Kellum’s source for the information was not “a customer,” but rather Green of Teva.

1003. That same morning, K.S. of Lannett called Nesta of Mylan. The phone call lasted 44 seconds. Then, on January 10, 2013, Nesta called K.S. back and they spoke for more than six (6) minutes. That same day, McKesson e-mailed Sandoz and requested a price reduction on Levothyroxine. Kellum responded internally, “This is a no. We just learned that Mylan look a large price increase.”

1004. The following Monday – January 14, 2013 – Lannett raised its WAC pricing for Levothyroxine to match Mylan. Notably, after these phone calls, Nesta would not speak again with K.S. of Lannett until August 6, 2013 – three days before Mylan increased its prices for Levothyroxine a second time.

1005. On July 16, 2013 – as detailed above – CW-4 spoke with Nesta and sent the July 2013 E-mail identifying the Mylan price increases. The price list included Levothyroxine and noted that Lannett had followed.

1006. On August 6, 2013, Nesta called CW-4 two times. Both calls lasted less than a minute. A few minutes after the second call, Nesta called K.S. at Lannett. The call

lasted 24 seconds (likely a voicemail). Three days later, on August 9, 2013, Mylan increased WAC pricing on Levothyroxine for a second time.

1007. On August 10, 2013, S.G., a national account executive at Sandoz, sent an internal e-mail that stated: “Mylan took a 300% price increase on Levothyroxine!!! Based on my intelligence (we will need to confirm), please lock down inventory (strict allocation per AK) and no new product offers until we can clarify the situation.” CW-4 replied to S.G.’s e-mail stating, “This is correct based on my info as well.”

1008. Pursuant to their ongoing understanding, Lannett followed quickly and matched Mylan’s WAC pricing on August 14, 2013.

1009. On August 14, 2013, S.G. sent an e-mail to Kellum, copying CW-1, regarding “Levothyroxine Mylan” and asked “[w]e taking the pricing up?” CW-1 responded: “[w]orking on it.” In response, S.G. replied: “Thx. I believe Lannett rationalized the market earlier this week.” CW-1 answered “We just noticed that as well.”

1010. On September 5, 2013, Cigna – a Mylan customer – contacted Lannett and requested a bid on Levothyroxine. J.M., a national account manager at Lannett, forwarded the request to K.S. stating “due to Mylan’s across the board price increases on a number of products, they are looking for new suppliers wherever there is crossover.” J.M. explained that “[t]he volume isn’t gigantic on the 1000s so it wouldn’t attract much attention from Mylan if it went to us” Nonetheless, on September 12, 2013, Lannett declined the opportunity and blamed supply issues stating “[a]s much as we’d love to take on the business, we are not in a position to do so at this time.”

1011. During a September 10, 2013 earnings call, Lannett's CEO, A.B., was asked for his reaction to Mylan's Levothyroxine price increase. A.B. responded, "You mean after I sent them a thank you note? I'm just kidding. . . . I'm always grateful to see responsible generic drug companies realize that our cost of doing business is going up as well. . . . So whenever people start acting responsibly and raise prices as opposed to the typical spiral down of generic drug prices, I'm grateful."

1012. On September 13, 2013, Sandoz did indeed act "responsibly" and, consistent with the understanding it had with its competitors, raised WAC pricing to match Mylan and Lannett.

1013. The three competitors - Defendants Mylan, Lannett, and Sandoz - did not stop there. They coordinated again to raise price on Levothyroxine in April/May 2014.

1014. Consistent with the 2013 increases, Mylan was the first to raise its WAC pricing on Levothyroxine on April 25, 2014. In the two days leading up to the increase, Nesta and K.S. of Lannett spoke by phone several times. These calls are listed below. Notably, these calls are the last documented telephone calls between these two executives.

Date	Call Type	Target Name	Direction	Contact Name	Time	Duration
4/23/2014	Voice	Nesta, Jim (Mylan)	Outgoing	K.S. (Lannett)	18:31:26	0:00:03
4/23/2014	Voice	Nesta, Jim (Mylan)	Incoming	K.S. (Lannett)	18:59:53	0:00:34
4/23/2014	Voice	Nesta, Jim (Mylan)	Outgoing	K.S. (Lannett)	19:57:39	0:00:50
4/23/2014	Voice	Nesta, Jim (Mylan)	Incoming	K.S. (Lannett)	21:04:47	0:05:07

1015. On April 25, 2014 - the day that Mylan increased its pricing for Levothyroxine - P.C., a sourcing manager at Cardinal Health, sent a text message to

Sullivan of Lannett stating: “[n]ot sure if you knew already ... Mylan increasing levos.”

Sullivan responded: “Thanks for the heads up ... We heard 55% on contract price, can you confirm?” P.C. replied, “[y]es ~50-55%.” Sullivan had “heard” about the Mylan increase from her supervisor, K S., who had communicated with Nesta only days prior.

1016. Lannett quickly followed with a price increase of its own - raising its WAC pricing to match Mylan on April 28, 2014. In accordance with their ongoing agreement, and consistent with past practice, Sandoz followed shortly thereafter on May 23, 2014 and matched the WAC pricing of its competitors.

(d) Clomipramine HCL

1017. Clomipramine HCL, also known by the brand name Anafranil, is used for the treatment of obsessive-compulsive disorder, panic disorder, major depressive disorder, and chronic pain.

1018. In addition to Defendants Sandoz and Mylan, Defendant Taro also manufactured Clomipramine HCL. Indeed, it was Taro that led a price increase on this product on May 1, 2013. The price increase was striking – more than a 3,440% increase to Taro’s WAC pricing on certain formulations.¹¹

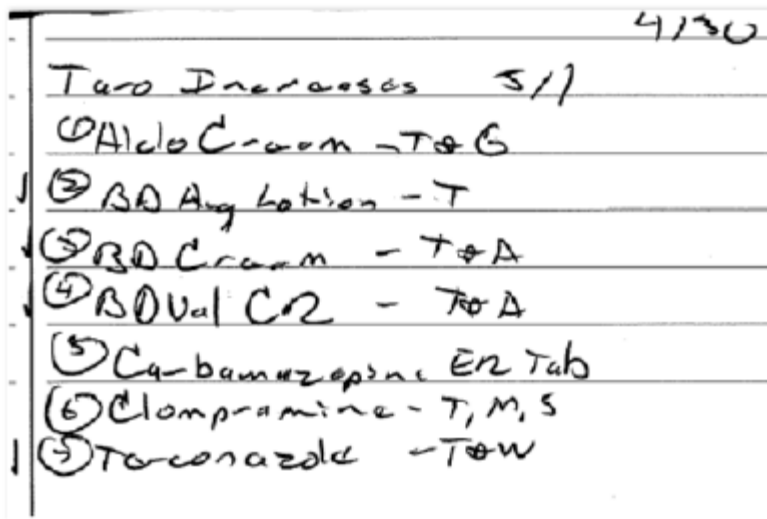
1019. In the weeks leading up to the Taro price increase on Clomipramine HCL, Aprahamian of Taro spoke several times with both CW-3 at Sandoz and M.A., a national account manager at Mylan. In fact, on several occasions during this time period, Aprahamian hung up the phone with one competitor and immediately called the next. At

¹¹ Defendant Taro also increased pricing on a number of other products on this date. These other products will be the subject of a subsequent Complaint.

the same time, CW-4 of Sandoz was also speaking with D.S., a senior sales and national account executive at Taro. During these conversations, Defendants Taro, Sandoz, and Mylan agreed to raise the price of Clomipramine HCL. Certain of these phone calls are detailed in the table below:

Date	Call Type	Target Name	Direction	Contact Name	Duration
4/2/2013	Voice	Aprahamian, Ara (Taro)	Incoming	CW-3 (Sandoz)	0:06:00
4/2/2013	Voice	Aprahamian, Ara (Taro)	Outgoing	CW-3 (Sandoz)	0:06:00
4/4/2013	Voice	Aprahamian, Ara (Taro)	Outgoing	M.A. (Mylan)	0:15:00
4/4/2013	Voice	Aprahamian, Ara (Taro)	Outgoing	CW-3 (Sandoz)	0:02:00
4/4/2013	Voice	Aprahamian, Ara (Taro)	Outgoing	CW-3 (Sandoz)	0:06:00
4/9/2013	Voice	Aprahamian, Ara (Taro)	Incoming	CW-3 (Sandoz)	0:07:00
4/9/2013	Voice	Aprahamian, Ara (Taro)	Incoming	CW-3 (Sandoz)	0:00:06
4/15/2013	Voice	Aprahamian, Ara (Taro)	Outgoing	CW-3 (Sandoz)	0:18:00
4/15/2013	Voice	Aprahamian, Ara (Taro)	Incoming	CW-3 (Sandoz)	0:01:00
4/15/2013	Voice	Aprahamian, Ara (Taro)	Incoming	CW-3 (Sandoz)	0:09:00
4/16/2013	Voice	CW-3 (Sandoz)	Outgoing	Aprahamian, Ara (Taro)	0:01:00
4/16/2013	Voice	Aprahamian, Ara (Taro)	Outgoing	CW-3 (Sandoz)	0:11:00
4/17/2013	Voice	D.S. (Taro)	Outgoing	CW-4 (Sandoz)	0:12:00
4/17/2013	Voice	D.S. (Taro)	Incoming	CW-4 (Sandoz)	0:02:00
4/17/2013	Voice	Aprahamian, Ara (Taro)	Outgoing	CW-3 (Sandoz)	0:04:00
4/19/2013	Voice	Aprahamian, Ara (Taro)	Incoming	CW-3 (Sandoz)	0:13:00
4/19/2013	Voice	Aprahamian, Ara (Taro)	Outgoing	M.A. (Mylan)	0:01:00
4/19/2013	Voice	CW-3 (Sandoz)	Outgoing	Aprahamian, Ara (Taro)	0:01:00
4/19/2013	Voice	Aprahamian, Ara (Taro)	Outgoing	CW-3 (Sandoz)	0:09:00
4/22/2013	Voice	Aprahamian, Ara (Taro)	Incoming	M.A. (Mylan)	0:04:00
4/24/2013	Voice	Aprahamian, Ara (Taro)	Outgoing	CW-3 (Sandoz)	0:01:00
4/24/2013	Voice	Aprahamian, Ara (Taro)	Outgoing	CW-3 (Sandoz)	0:05:00
4/25/2013	Voice	CW-3 (Sandoz)	Outgoing	Aprahamian, Ara (Taro)	0:01:00
4/26/2013	Voice	Aprahamian, Ara (Taro)	Outgoing	CW-3 (Sandoz)	0:08:00
4/30/2013	Voice	Aprahamian, Ara (Taro)	Incoming	CW-3 (Sandoz)	0:14:00
4/30/2013	Voice	Aprahamian, Ara (Taro)	Incoming	CW-3 (Sandoz)	0:02:00

1020. CW-3 of Sandoz also took contemporaneous notes of some of his conversations with competitors. For example, after speaking with Aprahamian of Taro twice on April 30, 2013, CW-3 made the following notes identifying Clomipramine HCL as one of the products that Taro planned to increase on May 1st:



Indeed, there are notations in CW-3's notebook that demonstrate that he began communicating with Aprahamian about Taro's May 1 increase as early as April 2, 2013.

1021. As part of the agreement to raise prices and not poach each other's customers on Clomipramine HCL, Defendant Sandoz consistently refused to bid for Taro's customers after Taro raised its price. For example, on April 30, 2013, Publix e-mailed Sandoz stating that it had received a price increase letter from Taro regarding several Sandoz overlap products, including Clomipramine HCL, and asked whether Sandoz wanted to bid for the business. Kellum e-mailed CW-4 stating "I'm not inclined to do anything here as these may be opportunities for us. We can blame supply if these are in fact opps for us." CW-4 replied, "Agreed! Especially the opportunities for us part!"

1022. Taro did agree to concede one customer to Sandoz so that the competitor could achieve its fair share of the market. On May 1, 2013, Rite Aid e-mailed Sandoz asking for a bid on Clomipramine HCL. Kellum responded: "I want to raise price and

perhaps pick up share here if possible. [CW-4] try to keep Rite Aid warm and let them know we are evaluating but need to assess supply etc. . . .”

1023. The next day, on May 2, 2013, Aprahamian of Taro called CW-3 at Sandoz and they spoke for five (5) minutes. CW-3 hung up the phone and then immediately called Kellum. The two spoke for eight (8) minutes. First thing the next morning – on May 3, 2013 – CW-3 called Aprahamian back and they spoke for another five (5) minutes. Within a half hour, CW-3 again contacted Kellum and spoke for two (2) minutes. Later that day, CW-4 of Sandoz e-mailed Kellum regarding an upcoming call with Rite Aid stating: “[w]hen we speak to the clomipramine – let’s reiterate we need to keep it on the DL from taro as long as possible. . . . like we don’t already know the cat’s out of the bag.”

1024. Ultimately, Sandoz was awarded the Clomipramine HCL business at Rite Aid. When Rite Aid notified Taro, Aprahamian forwarded the e-mail to M.P., Chief Commercial Officer at Taro, stating “[a]s expected Rite Aid moving Clomipramine.”

1025. Mylan was the next to increase price on Clomipramine HCL. On May 16, 2013, Mylan increased to the same WAC per unit cost as Taro. In the days leading up to the Mylan price increase, all three competitors were in contact with each other to coordinate efforts. Some of these calls are detailed in the table below:

Date	Call Type	Target Name	Direction	Contact Name	Duration
5/8/2013	Voice	Aprahamian, Ara (Taro)	Outgoing	M.A. (Mylan)	0:01:00
5/8/2013	Voice	Aprahamian, Ara (Taro)	Outgoing	CW-3 (Sandoz)	0:08:00
5/8/2013	Voice	Nesta, Jim (Mylan)	Outgoing	CW-4 (Sandoz)	0:03:20
5/8/2013	Voice	Aprahamian, Ara (Taro)	Incoming	CW-3 (Sandoz)	0:09:00
5/10/2013	Voice	Aprahamian, Ara (Taro)	Outgoing	M.A. (Mylan)	0:01:00
5/10/2013	Voice	Aprahamian, Ara (Taro)	Outgoing	M.A. (Mylan)	0:01:00
5/10/2013	Voice	Aprahamian, Ara (Taro)	Incoming	M.A. (Mylan)	0:06:00
5/13/2013	Voice	Nesta, Jim (Mylan)	Outgoing	CW-4 (Sandoz)	0:04:06
5/14/2013	Voice	Aprahamian, Ara (Taro)	Outgoing	CW-3 (Sandoz)	0:02:00
5/14/2013	Voice	Aprahamian, Ara (Taro)	Incoming	CW-3 (Sandoz)	0:09:00
5/15/2013	Voice	Aprahamian, Ara (Taro)	Outgoing	M.A. (Mylan)	0:01:00
5/15/2013	Voice	Aprahamian, Ara (Taro)	Incoming	M.A. (Mylan)	0:02:00
5/16/2013	Voice	D.S. (Taro)	Outgoing	CW-4 (Sandoz)	0:22:00
5/17/2013	Voice	D.S. (Taro)	Outgoing	CW-4 (Sandoz)	0:01:00
5/17/2013	Voice	D.S. (Taro)	Incoming	CW-4 (Sandoz)	0:02:00
5/17/2013	Voice	D.S. (Taro)	Incoming	CW-4 (Sandoz)	0:01:00

1026. On July 3, 2013, HEB Pharmacy informed Taro that Mylan was on back order for Clomipramine HCL and asked Taro to bid for the business. Aprahamian responded that he was “[n]ot inclined to take on new business. Wholesalers have product, let them pull from there temporarily and we can cellainly review if shortage persists. Don’t want to over react to this product. Not sure how long Mylan is out.”

1027. On July 16, 2013, CW-4 of Sandoz sent the July 2013 E-mail identifying Clomipramine HCL as a Mylan price increase product. By this time, Sandoz knew that Mylan had increased its price on this product.

1028. On July 20, 2013, Taro received a “Watch List” notification that Sandoz was increasing price on Clomipramine HCL. Aprahamian forwarded the notice to M.P. stating: “FYI, Sandoz is in the market (and adjusted price to match oms) now with

product as expected. Don't want to alert the reps as they could overreact. They did take Rite Aid as you know. Will see what happens from here."

1029. Two days later - on July 22, 2013 - Sandoz increased its WAC pricing to match the per unit cost of Taro and Mylan.

1030. On August 5, 2013, Walgreens - a Mylan customer - e-mailed Sandoz and requested a bid on Clomipramine HCL. S.G., a national account executive at Sandoz, sent an internal e-mail asking "[s]hould we consider a 25% share of their business?" Kellum responded negatively, based on the agreement in place with Mylan, stating: "[t]hat is tempting but I worry very disruptive." On August 6, 2013, Nesta of Mylan called CW-4 at Sandoz twice. Both calls lasted less than a minute (likely voicemails). The next day, on August 7, 2013, S.G. replied to Kellum's e-mail, stating: "[b]ased upon your concerns, I will kill this unless I hear otherwise from you."

1031. In October 2013, CW-4 and Nesta spoke by phone several times. At least some of these calls are detailed in the chart below:

Date	Call Type	Target Name	Direction	Contact Name	Duration
10/3/2013	Voice	Nesta, Jim (Mylan)	Outgoing	CW-4 (Sandoz)	0:00:00
10/3/2013	Voice	Nesta, Jim (Mylan)	Outgoing	CW-4 (Sandoz)	0:02:09
10/4/2013	Voice	Nesta, Jim (Mylan)	Incoming	CW-4 (Sandoz)	0:00:00
10/4/2013	Voice	Nesta, Jim (Mylan)	Incoming	CW-4 (Sandoz)	0:10:56
10/4/2013	Voice	Nesta, Jim (Mylan)	Outgoing	CW-4 (Sandoz)	0:00:24
10/4/2013	Voice	Nesta, Jim (Mylan)	Outgoing	CW-4 (Sandoz)	0:00:05
10/4/2013	Voice	Nesta, Jim (Mylan)	Outgoing	CW-4 (Sandoz)	0:00:00
10/14/2013	Voice	Nesta, Jim (Mylan)	Incoming	CW-4 (Sandoz)	0:11:19

1032. After this series of calls, during the morning of October 15, 2013, CW-4 of Sandoz called Kellum. The call lasted one minute. Approximately one half hour later,

Kellum e-mailed McKesson and asked if Sandoz could submit a bid for Clomipramine HCL.

1033. On October 23, 2013, Sandoz submitted a bid to McKesson and the customer responded that a reduction was needed to bring the pricing in line with their current supplier, Taro. CW-1 was surprised and forwarded the request to CW-4, copying Kellum, stating: “I thought we were taking McKessons Clomipramine from Mylan? Per below it appears that they have Taro on the 90s.” CW-4 responded, “Hey, I’m only as good as my intel . . . which should have been good.”

1034. In December 2013, Sandoz received an inquiry from a Bloomberg reporter who questioned the propriety of the large increases that Sandoz had taken in recent months on a whole host of drugs, including Clomipramine HCL and several other drugs at issue in this Complaint. After several conversations with antitrust counsel, Kellum prepared the following response to Bloomberg with regard to Clomipramine HCL:

Here are the details on our price increase for Clomipramine.

- 1) On July 22, 2013 We raised WAC by the following %'s

25mg	2,778%
50m	2,325%
75mg	1,778%
- 2) We were not the first to raise the price but rather followed Mylan and Taro when we learned they had taken a price increase which we first learned from the pricing services we subscribe to “Analysource” (First Databank) and Prospectorr (Gold Standard).
- 3) We had a very small market share (1%) and have since gained ~15% market share Rite Aid and McKesson by providing lower prices than their incumbent suppliers (Taro and Mylan/Taro).

1035. As is clear from the above allegations, Kellum's statement was a lie. In reality, Sandoz had raised its prices after coordinating the increases with Taro and Mylan in advance, and stayed true to its commitments to keep those prices high.

(e) *Tizanidine*

1036. Tizanidine, also known by the brand name Zanaflex, is used to treat muscle spasticity due to spinal cord injury or multiple sclerosis.

1037. As of May 2013, Defendants Sandoz, Mylan, and Dr. Reddy's were in the market for Tizanidine. Dr. Reddy's led the increase on this product on May 13, 2013, increasing its WAC price and raising contract pricing tenfold. At that time, Dr. Reddy's was the market leader with 59% market share, while Mylan had 24%, and Sandoz had 17%.

1038. Tizanidine was a drug that had been on the market for many years and whose price had eroded as many competitors entered and exited the market depending on the profitability of the drug. As Dr. Reddy's explained in an internal presentation, "Price needs to be adjusted to incentivize current manufacturers to stay in this product" and stated that Dr. Reddy's assumes "Mylan and Sandoz are responsible players, and they may not be able to pick up the large volumes we currently service."

1039. Sandoz was thrilled when it learned that Dr. Reddy's had increased its price on Tizanidine. For example, on May 10, 2013, S.G., a national account executive at Sandoz, sent an internal e-mail stating that "Giant Eagle just let me know that Dr. Reddy just took a price increase on Tizanidine! Pricing on the 2 & 4mg 150ct went from \$4.50 to \$45.00. . . . We should secure confirmation but if this is true it would be very positive

....” Kellum responded, “Wow! Thank you.” Kellum then quickly sent out a directive to the team to “[p]lease put the product on strict allocation to forecast. Pricing Team – no new offers.”

1040. On May 13, 2013, Dr. Reddy’s published its new WAC pricing for Tizanidine. That same day, Nesta of Mylan called CW-4 at Sandoz and they spoke for 4 minutes. Two days later, CW-1 of Sandoz sent an internal e-mail to Kellum regarding “Tizanidine” stating “[l]et’s discuss.”

1041. On May 24, 2013, Sandoz followed and matched Dr. Reddy’s WAC pricing on several formulations, and even exceeded Dr. Reddy’s pricing on one formulation. Sandoz’s WAC increases were significant - ranging from 248% to 344%, depending on the formulation. In the days leading up to the Sandoz increase, Nesta of Mylan exchanged phone calls with both CW-4 of Sandoz and J.A., a national account executive at Dr. Reddy’s, to coordinate the price increase regarding Tizanidine. At least some of those calls are set forth in the table below:

Date	Call Type	Target Name	Direction	Contact Name	Duration
5/20/2013	Voice	Nesta, Jim (Mylan)	Incoming	CW-4 (Sandoz)	0:00:06
5/21/2013	Voice	Nesta, Jim (Mylan)	Incoming	J.A. (Dr. Reddy's)	0:00:00
5/21/2013	Voice	Nesta, Jim (Mylan)	Incoming	J.A. (Dr. Reddy's)	0:00:42
5/23/2013	Voice	Nesta, Jim (Mylan)	Incoming	CW-4 (Sandoz)	0:00:37
5/23/2013	Voice	Nesta, Jim (Mylan)	Outgoing	CW-4 (Sandoz)	0:01:25
5/23/2013	Text	Nesta, Jim (Mylan)	Outgoing	J.A. (Dr. Reddy's)	0:00:00
5/23/2013	Text	Nesta, Jim (Mylan)	Outgoing	J.A. (Dr. Reddy's)	0:00:00
5/24/2013	Voice	Nesta, Jim (Mylan)	Outgoing	J.A. (Dr. Reddy's)	0:00:20

Notably, after this, Nesta would not speak with J.A. again until three months later in August 2013.

1042. On May 29, 2013, customer Omnicare e-mailed Sandoz and asked whether it wanted to submit a bid for Tizanidine. CW-3 of Sandoz forwarded the request internally to CW-1 and Kellum asking “[a]re we considering additional Tizanidine market share? I’m assuming are[sic] intent is not to be disruptive at this time.” A few minutes later, Nesta called CW-4 at Sandoz and they spoke for nearly thirteen (13) minutes. Later that day, CW-1 replied to CW-3’s e-mail stating, “[w]e will sit tight for now.” CW-3 then responded to Omnicare, stating that “[a]lthough we are not in a back order situation we cannot assume additional usage at this time. If this were to change I will let you know.”

1043. On June 14, 2013, Anda, a wholesale customer, e-mailed J.A. of Dr. Reddy’s asking “[d]id mylan follow your increase?” J.A. responded, “We’ve heard they did.” J.A. had learned of Mylan’s intent to follow the price increase through his prior communications with Nesta. However, Mylan had not actually raised its price on Tizanidine at the time of the inquiry, and would not do so until July 2, 2013.

1044. On June 26, 2013, Meijer, a supermarket chain customer, e-mailed Dr. Reddy’s requesting a bid for Tizanidine. J.A. forwarded the request to N.M., a marketing executive at Dr. Reddy’s, stating: “I’m assuming they got a price increase.” N.M. responded: “I think, given the market situation and us leading the price adjustment, I think, we should not go behind additional market share since it will erode the market even further.” J.A. replied, “[y]eah, I was just sending it as an FYI, no intention to bid.” A few weeks later, Meijer forwarded the same request to Sandoz. Sandoz’s response was similar: “[w]e cannot supply unfortunately.”

b. Individual Relationships

1045. The relationship between CW-4 and Nesta discussed in detail above is just one example of two competitors capitalizing on their relationship to fix prices and allocate markets on drugs that both companies manufactured. Each of these individuals had their own relationships with contacts at competitor companies that they utilized to allocate markets and raise prices on overlap drugs. Many of these relationships are discussed throughout this Complaint.

1046. The following sections profile each individual and their primary contacts at competitor Defendants, including cataloging the number of phone calls and/or text messages exchanged between them. The charts that follow are limited to communications with employees at other Defendants and do not include communications the individuals may have had with executives at competitor companies that are not named as Defendants in this Complaint.

i. Ara Aprahamian

1047. Aprahamian is the Vice President of Sales at Defendant Taro and has held that position since he moved to Taro from Actavis in March 2013. Aprahamian regularly communicated with competitors, including with several of his former colleagues at Actavis, and has established relationships with individuals at many of the corporate Defendants. For example, between March 2013 and October 2018, Aprahamian exchanged at least 706 phone calls and text messages with his contacts at Defendants Sandoz, Glenmark, Teva, Dr. Reddy's, Actavis, Mylan, Wockhardt, Lannett, Amneal,

and Aurobindo, as well as non-Defendant Greenstone. These communications are detailed in the table below:

Contact Name	Count	Min Date	Max Date
CW-3 (Sandoz)	190	3/19/2013	8/18/2016
Grauso, Jim (Glenmark)	106	7/1/2014	10/16/2018
Patel, Nisha (Teva)	100	5/22/2013	3/3/2016
J.M. (Dr. Reddy's)	61	3/27/2013	7/23/2018
M.D. (Actavis)	52	3/19/2013	9/2/2016
M.A. (Mylan)	50	4/4/2013	2/9/2016
M.C. (Wockhardt)	26	5/7/2013	8/20/2017
A.B. (Lannett)	22	11/15/2013	12/14/2017
Falkin, Marc (Actavis)	21	4/17/2014	3/8/2016
A.B. (Actavis)	16	8/16/2013	4/19/2016
S.R. (Amneal)	13	6/6/2014	4/29/2016
M.B. (Actavis)	12	5/13/2013	8/22/2015
M.B. (Glenmark)	11	5/7/2013	3/26/2014
Lannett Pharmaceuticals	8	6/6/2014	4/29/2016
A.G. (Actavis)	4	4/23/2013	4/30/2013
Rogerson, Rick (Actavis)	4	6/17/2013	4/16/2014
R.H. (Greenstone)	4	8/14/2014	8/20/2014
T.D. (Actavis)	3	4/12/2013	7/10/2013
Grauso, Jim (Aurobindo)	2	1/9/2014	1/10/2014
A.S. (Actavis)	1	1/9/2014	1/9/2014

ii. David Berthold

1048. Berthold is the Vice President of Sales at Defendant Lupin and has held that position since June 2006. During his tenure at Lupin, Berthold has been the primary person at the company communicating with competitors. Indeed, Berthold has relationships with individuals at many of the corporate Defendants and is one of the most prolific communicators of all the individual participants. For example, between March 2011 and October 2018, Berthold exchanged at least 4,185 phone calls and text messages with his contacts at Defendants Aurobindo, Glenmark, Actavis, Wockhardt, Zydus, Teva, Breckenridge, Mylan, Sandoz, Dr. Reddy's, Amneal, and Lannett, as well as non-Defendant Greenstone. These communications are detailed in the table below:

Contact Name	Count	Min Date	Max Date
Grauso, Jim (Aurobindo)	977	12/10/2011	1/31/2014
Grauso, Jim (Glenmark)	959	2/3/2014	10/3/2018
R.H. (Greenstone)	791	3/9/2011	7/14/2017
A.G. (Actavis)	301	3/22/2011	12/14/2017
K.K. (Wockhardt)	153	12/14/2011	7/30/2013
A.T. (Aurobindo)	123	8/15/2012	4/28/2013
Green, Kevin (Zydus)	124	11/8/2013	10/11/2017
Green, Kevin (Teva)	118	1/26/2012	10/9/2013
Patel, Nisha (Teva)	76	5/6/2013	4/8/2014
P.G. (Breckenridge)	76	3/10/2013	5/20/2016
Nesta, Jim (Mylan)	68	4/21/2013	10/13/2014
P.M. (Aurobindo)	60	3/30/2011	2/4/2016
Falkin, Marc (Actavis)	52	9/3/2013	4/1/2016
Kellum, Armando (Sandoz)	41	1/24/2012	8/14/2014
B.R. (Dr. Reddy's)	37	12/9/2011	6/13/2012
T.S. (Teva)	36	12/15/2011	1/15/2014
V.B. (Dr. Reddy's)	33	12/16/2014	9/21/2015
S.R.(2) (Amneal)	22	8/8/2012	11/16/2016
P.M. (Teva)	21	3/29/2011	1/20/2012
K.R. (Zydus)	21	9/25/2012	9/30/2012
Ostaficiuk, Kon (Camber)	19	5/14/2012	4/4/2016
Brown, Jim (Glenmark)	19	5/31/2013	6/2/2015
S.R.(1) (Amneal)	11	4/16/2013	2/13/2015
Rekenthaler, David (Teva)	9	10/14/2013	1/16/2014
J.A. (Dr. Reddy's)	7	6/12/2012	4/8/2014
K.S. (Lannett)	4	6/20/2014	6/23/2014
Nailor, Jill (Greenstone)	8	4/16/2013	6/19/2015
S.G. (Sandoz)	3	3/11/2014	11/26/2014
L.S. (Zydus)	3	8/23/2012	9/19/2013
A.S. (Actavis)	3	2/13/2012	5/24/2012
K.S. (Zydus)	2	9/18/2012	9/19/2012
CW-3 (Sandoz)	2	2/7/2012	10/18/2012
B.M. (Amneal)	2	9/26/2012	3/7/2018
B.G. (Sandoz)	1	7/31/2015	7/31/2015
Teva Pharmaceuticals	1	1/25/2012	1/25/2012
K.A. (Wockhardt)	1	8/25/2012	8/25/2012
Zydus Pharmaceuticals	1	1/17/2018	1/17/2018

iii. *Jim Brown*

1049. Brown is the Vice President of Sales at Defendant Glenmark and has held that position since November 2012. Brown was one of several Glenmark executives that conspired with competitors. Although not as prolific in his communications with competitors as some of the other individuals, he did communicate when necessary to further the agreements. For example, between June 2012 and August 2018, Brown exchanged at least 395 calls and text messages with his contacts at Defendants Actavis, Teva, Lupin, Amneal, Wockhardt, Breckenridge, Lannett, Sandoz, Aurobindo, Zydus, Par, Apotex, and Taro. These communications are detailed in the table below:

Contact Name	Count	Min Date	Max Date
Falkin, Marc (Actavis)	270	8/9/2013	6/16/2016
Patel, Nisha (Teva)	36	8/6/2013	10/15/2014
Berthold, David (Lupin)	19	5/31/2013	6/2/2015
S.R.(1) (Amneal)	16	12/18/2013	2/22/2018
B.W. (Wockhardt)	9	6/25/2012	10/27/2017
D.N. (Breckenridge)	8	11/12/2012	3/30/2015
K.S. (Lannett)	7	6/18/2012	8/10/2017
CW-3 (Sandoz)	4	6/10/2016	6/14/2016
Grauso, Jim (Aurobindo)	9	3/28/2013	12/6/2013
Green, Kevin (Zydus)	4	4/12/2018	8/21/2018
J.H. (Par)	2	10/1/2013	11/1/2013
S.R. (Lupin)	2	11/28/2012	11/29/2012
J.H. (Apotex)	2	5/6/2015	3/10/2016
L.P. (Taro)	2	12/7/2012	12/7/2012
P.M. (Aurobindo)	1	2/28/2014	2/28/2014
Breckenridge Pharmaceuticals	1	10/17/2014	10/17/2014
P.G. (Breckenridge)	1	6/18/2012	6/18/2012
Ostaficiuk, Kon (Camber)	1	10/29/2014	10/29/2014
Rekenthaler, David (Teva)	1	3/24/2014	3/24/2014

iv. *Maureen Cavanaugh*

1050. Cavanaugh was the Senior Vice President and Commercial Officer, North America, at Defendant Teva until April 2018. She is currently the Senior Vice President and Chief Commercial Officer at Defendant Lannett. During her employment at Teva, Cavanaugh knew that her subordinates were communicating with competitors about pricing and customer allocation. In addition, Cavanaugh maintained her own relationships with certain competitors and coordinated with them directly when necessary to further the agreements. For example, between January 2011 and August 2017, Cavanaugh exchanged at least 612 phone calls and text messages with her contacts at Defendants Actavis, Amneal, Zydus, Sandoz, and Glenmark, as well as non-Defendant Greenstone. These communications are detailed in the table below:

Contact Name	Count	Min Date	Max Date
Falkin, Marc (Actavis)	410	9/10/2013	7/29/2016
A.B. (Actavis)	113	8/12/2015	7/25/2016
S.R.(1) (Amneal)	45	1/18/2011	11/14/2012
A.S. (Actavis)	17	8/21/2015	7/26/2016
K.R. (Zydus)	10	9/16/2013	5/20/2016
Green, Kevin (Zydus)	8	5/14/2017	8/3/2017
J.K. (Actavis)	4	4/29/2014	3/31/2015
R.S. (Sandoz)	2	10/6/2016	10/6/2016
M.K. (Zydus)	1	3/15/2011	3/15/2011
Grauso, Jim (Glenmark)	1	7/8/2015	7/8/2015
Nailor, Jill (Greenstone)	1	12/5/2012	12/5/2012

v. *Marc Falkin*

1051. Falkin was the Vice President of Marketing, Pricing and Contracts at Defendant Actavis until Actavis was acquired by Teva in August 2016. For a period of time, Falkin was also the Senior Vice President, US Generic Sales, at Teva. During his

employment at Actavis, which is the focus of this Complaint, Falkin was a prolific communicator and had established relationships with executives at many of the corporate Defendants. For example, between August 2013 and July 2016, Falkin exchanged at least 2,562 phone calls and text messages with his contacts at Defendants Zydus, Teva, Glenmark, Lannett, Aurobindo, Mylan, Lupin, Par, Apotex, Taro, Amneal, Sandoz, and Wockhardt, as well as non-Defendant Greenstone. These communications are detailed in the table below:

Contact Name	Count	Min Date	Max Date
K.R. (Zydus)	550	8/3/2013	4/13/2016
Rekenthaler, David (Teva)	433	8/7/2013	3/25/2015
Cavanaugh, Maureen (Teva)	410	9/10/2013	7/29/2016
Brown, Jim (Glenmark)	270	8/9/2013	6/16/2016
C.B. (Teva)	199	7/21/2015	7/29/2016
K.S. (Lannett)	181	8/1/2013	9/29/2015
R.C. (Aurobindo)	80	11/14/2013	3/16/2015
Nesta, Jim (Mylan)	78	12/3/2013	8/17/2015
Berthold, David (Lupin)	52	9/3/2013	4/1/2016
J.H. (Par)	48	9/24/2013	8/11/2015
Nailor, Jill (Greenstone)	41	1/6/2014	3/14/2016
T.C. (Teva)	36	12/28/2015	7/27/2016
Teva Pharmaceuticals	26	5/28/2015	7/19/2016
T.K. (Apotex)	22	3/4/2014	6/4/2015
CW-5 (Glenmark)	22	11/7/2013	2/26/2014
Aprahamian, Ara (Taro)	21	4/17/2014	3/8/2016
S.R.(2) (Amneal)	15	10/19/2013	11/16/2015
Patel, Nisha (Teva)	11	2/5/2016	6/16/2016
J.B. (Teva)	11	11/24/2015	6/2/2016
C.D. (Teva)	11	2/8/2016	6/22/2016
M.P. (Taro)	9	12/13/2013	8/4/2014
J.P. (Teva)	7	9/27/2014	3/22/2016
J.H. (Apotex)	6	4/7/2014	4/8/2014
K.G. (Teva)	6	1/14/2016	5/12/2016
S.G. (Sandoz)	5	4/30/2014	6/23/2014
M.K. (Zydus)	4	1/10/2014	1/11/2014
M.C. (Wockhardt)	3	5/24/2016	5/24/2016
Ostaficiuk, Kon (Camber)	2	9/27/2013	12/5/2013
S.R. (Lupin)	2	10/5/2013	10/5/2013
B.H. (Apotex)	1	6/10/2014	6/10/2014

vi. *Jim Grauso*

1052. Grauso was employed as a Senior Vice President of Commercial Operations at Defendant Aurobindo until January 2014. In February 2014, Grauso moved to Defendant Glenmark and currently holds the position of Executive Vice President, North America, Commercial Operations. Grauso regularly communicated with

competitors while he was at Aurobindo and continued those relationships when he transferred to Glenmark. For example, between December 2011 and January 2014, Grauso exchanged at least 1,763 phone calls and text messages with his contacts at Defendants Lupin, Teva, Actavis, Taro, Zydus, Amneal, Glenmark, Wockhardt, and Breckenridge, as well as non-Defendant Greenstone. These communications are detailed in the table below:

Contact Name	Count	Min Date	Max Date
Berthold, David (Lupin)	977	12/10/2011	1/31/2014
T.S. (Teva)	243	12/1/2011	1/21/2014
Green, Kevin (Teva)	158	12/6/2011	10/30/2013
M.P. (Actavis and Taro)	57	12/6/2011	1/13/2014
D.L. (Zydus)	54	1/7/2013	10/25/2013
Ostaficiuk, Kon (Camber)	39	3/21/2012	12/9/2013
S.R.(1) (Amneal)	32	3/27/2012	1/3/2014
Brown, Jim (Glenmark)	31	7/19/2012	1/6/2014
Nailor, Jill (Greenstone)	31	7/19/2012	1/6/2014
M.C. (Wockhardt)	26	12/8/2011	1/13/2014
Green, Kevin (Zydus)	20	11/11/2013	1/29/2014
B.W. (Wockhardt)	16	12/8/2011	1/14/2014
K.K. (Wockhardt)	11	8/6/2013	1/13/2014
Patel, Nisha (Teva)	12	5/14/2013	7/8/2013
L.S. (Zydus)	8	5/23/2013	6/6/2013
M.B. (Taro)	7	12/6/2011	3/22/2012
K.S. (Zydus)	6	9/19/2013	9/30/2013
Aprahamian, Ara (Actavis)	6	1/20/2012	1/27/2012
J.P. (Teva)	6	5/2/2012	12/19/2013
S.R. (2) (Amneal)	4	8/20/2012	12/4/2013
D.N. (Breckenridge)	4	6/25/2013	1/28/2014
D.S. (Taro)	3	8/6/2013	8/6/2013
Teva Pharmaceuticals	3	6/20/2012	3/21/2013
M.B. (Glenmark)	3	4/12/2013	6/17/2013
Aprahamian, Ara (Taro)	2	1/10/2014	1/10/2014
Lupin Pharmaceuticals	2	1/24/2013	1/24/2013
E.S. (Lupin)	1	9/6/2012	9/6/2012
Rekenthaler, David (Teva)	1	12/8/2011	12/8/2011

1053. Similarly, after moving to Glenmark, Grauso continued to communicate frequently with his contacts at competitor companies, including his former colleagues at Aurobindo. For example, between February 2014 and October 2018, he exchanged at least 2,018 phone calls and text messages with his contacts at Defendants Lupin, Aurobindo, Zydus, Teva, Taro, Wockhardt, Sandoz, Dr. Reddy's, Amneal, Rising, Par, Breckenridge, Upsher-Smith, and Mylan, as well as non-Defendant Greenstone. These communications are detailed in the table below:

Contact Name	Count	Min Date	Max Date
Berthold, David (Lupin)	959	2/3/2014	10/3/2018
R.C. (Aurobindo)	215	2/3/2014	5/31/2017
Green, Kevin (Zydus)	161	2/4/2014	6/25/2018
T.S. (Teva)	128	2/3/2014	10/4/2018
Aprahamian, Ara (Taro)	106	7/1/2014	10/16/2018
B.W. (Wockhardt)	76	2/28/2014	10/2/2018
M.P. (Taro)	59	2/10/2014	2/3/2018
Taro Pharmaceuticals	59	3/5/2014	8/29/2018
J.K. (Aurobindo)	46	3/11/2014	10/3/2018
J.J. (Aurobindo)	36	2/19/2014	6/17/2018
M.C. (Wockhardt)	29	3/27/2014	10/1/2018
J.H. (Sandoz)	22	4/20/2018	9/27/2018
R.S. (Sandoz)	18	11/5/2015	8/8/2018
Nailor, Jill (Greenstone)	17	1/30/2015	5/26/2016
P.S. (Aurobindo)	10	2/20/2014	11/10/2017
J.M. (Dr. Reddy's)	10	9/27/2014	9/27/2017
S.R.(1) (Amneal)	9	2/3/2014	3/14/2018
S.G. (Rising)	9	3/2/2017	9/20/2018
M.A. (Par)	8	6/29/2015	7/12/2018
Lupin Pharmaceuticals	8	4/15/2014	4/10/2018
L.C. (Lupin)	7	4/30/2018	9/12/2018
D.N. (Breckenridge)	6	5/4/2018	8/10/2018
Patel, Nisha (Teva)	6	2/28/2014	1/5/2015
Ostaficiuk, Kon (Camber)	5	7/30/2014	10/29/2014
M.M. (Upsher-Smith)	3	10/4/2017	10/4/2017
S.S. (Aurobindo)	1	6/15/2017	6/15/2017
Cavanaugh, Maureen (Teva)	1	7/8/2015	7/8/2015
J.P. (Teva)	1	3/9/2015	3/9/2015
L.W. (Lupin)	1	8/22/2015	8/22/2015
Teva Pharmaceuticals	1	1/11/2018	1/11/2018
Mylan Pharmaceuticals	1	7/9/2018	7/9/2018

vii. Kevin Green

1054. Green worked at Defendant Teva as a Director of National Accounts until November 2013 when he took a position with Defendant Zydus. Green is currently the Vice President of Sales at Zydus. Green developed a number of relationships with individuals at many of the corporate Defendants. He regularly communicated with competitors while at Teva and then carried those relationships over to his time at Zydus. For example, between January 2010 and October 2013, Green exchanged at least 1,410 phone calls and text messages with his contacts at Defendants Zydus, Mylan, Dr. Reddy's, Aurobindo, Lupin, Sandoz, Breckenridge, Wockhardt, and Lannett, as well as non-Defendant Greenstone. These communications are detailed in the table below:

Contact Name	Count	Min Date	Max Date
Nesta, Jim (Mylan)	461	2/21/2012	10/4/2013
K.R. (Zydus)	182	4/26/2010	10/31/2013
B.R. (Dr. Reddy's)	139	1/28/2010	6/29/2012
Grauso, Jim (Aurobindo)	158	12/6/2011	10/30/2013
Berthold, David (Lupin)	118	1/26/2012	10/9/2013
CW-2 (Sandoz)	84	4/26/2010	1/14/2013
M.K. (Zydus)	73	3/18/2010	10/28/2013
P.H. (Zydus)	52	3/29/2010	6/11/2012
M.F. (Zydus)	32	2/10/2013	10/30/2013
R.H. (Greenstone)	26	3/8/2010	10/16/2013
P.M. (Aurobindo)	19	9/27/2010	10/14/2013
Kellum, Armando (Sandoz)	14	3/21/2012	8/14/2013
S.G. (Sandoz)	9	4/25/2010	6/19/2013
D.N. (Breckenridge)	6	7/12/2012	3/3/2013
M.M. (Wockhardt)	5	2/19/2013	6/26/2013
G.R. (Aurobindo)	5	3/17/2010	3/24/2010
M.A. (Mylan)	5	10/27/2013	10/30/2013
R.T. (Sandoz)	4	5/23/2010	5/15/2013
Sullivan, Tracey (Lannett)	4	5/23/2011	11/14/2012
Zydus Pharmaceuticals	3	1/30/2013	8/20/2013
S.R. (Lupin)	3	10/17/2013	10/27/2013
R.C. (Aurobindo)	3	6/4/2012	6/29/2012
CW-4 (Sandoz)	2	5/20/2010	2/7/2012
J.A. (Dr. Reddy's)	1	7/23/2013	7/23/2013
E.P. (Zydus)	1	10/22/2013	10/22/2013
K.K. (Wockhardt)	1	7/15/2012	7/15/2012

1055. Similarly, when Green became employed at Zydus, he continued to communicate frequently with competitors, including with his former colleagues at Teva. For example, between November 2013 and August 2018, Green exchanged at least 969 phone calls and text messages with his contacts at Defendants Teva, Glenmark, Mylan, Lupin, Aurobindo, Rising, Amneal, Sandoz, Lannett, and Dr. Reddy's, as well as non-Defendant Greenstone. These communications are detailed in the table below:

Contact Name	Count	Min Date	Max Date
Patel, Nisha (Teva)	184	11/8/2013	8/31/2016
Grauso, Jim (Glenmark)	161	2/4/2014	6/25/2018
Nesta, Jim (Mylan)	117	1/7/2014	8/17/2017
Berthold, David (Lupin)	124	11/8/2013	10/11/2017
M.A. (Mylan)	51	11/14/2013	3/16/2016
P.M. (Aurobindo)	49	11/4/2013	7/28/2016
J.P. (Teva)	44	9/15/2014	8/20/2017
Rekenthaler, David (Teva)	42	11/8/2013	3/30/2015
Teva Pharmaceuticals	36	11/3/2013	8/10/2017
T.S. (Teva)	31	1/8/2014	8/9/2017
Grauso, Jim (Aurobindo)	20	11/11/2013	1/29/2014
CW-2 (Rising and Aurobindo)	15	8/4/2014	4/23/2017
L.K. (Amneal)	14	9/15/2014	6/27/2018
T.C. (Teva)	13	12/4/2013	4/30/2017
S.G. (Sandoz and Rising)	10	6/22/2014	11/26/2016
K.G. (Teva)	9	5/3/2017	8/17/2017
Cavanaugh, Maureen (Teva)	8	5/14/2017	8/3/2017
Kellum, Armando (Sandoz)	8	4/30/2014	2/12/2017
S.G. (Teva)	5	11/4/2013	11/26/2013
Brown, Jim (Glenmark)	4	4/12/2018	8/21/2018
J.L. (Teva)	4	12/13/2016	2/20/2017
R.H. (Greenstone)	4	10/12/2014	5/14/2017
Sullivan, Tracey (Lannett)	4	2/16/2014	2/16/2014
S.R.(2) (Amneal)	3	9/26/2016	3/15/2018
M.W. (Mylan)	3	5/15/2018	6/11/2018
C.B. (Teva)	3	12/20/2016	8/9/2017
S.R. (Lupin)	1	3/24/2014	3/24/2014
J.A. (Dr. Reddy's)	1	7/1/2014	7/1/2014
T.G. (Aurobindo)	1	7/9/2018	7/9/2018

viii. Armando Kellum

1056. Kellum was the Director of Pricing and Contracts at Defendant Sandoz until July 2015. While at Sandoz, Kellum directed his subordinates, including CW-1, CW-2, CW-3, and CW-4, to enter into price fixing and market allocation agreements with competitors. In addition, Kellum had his own relationships with certain competitors and communicated with those contacts directly when necessary to further the agreements. For example, between May 2011 and April 2015, Kellum exchanged at least 182 phone calls and text messages with his contacts at Defendants Lupin, Teva, Upsher-Smith, Zydus,

Actavis, Rising, Amneal, and Dr. Reddy's, as well as non-Defendant Greenstone. These communications are detailed in the table below:

Contact Name	Count	Min Date	Max Date
R.H. (Greenstone)	66	7/20/2011	8/14/2014
Berthold, David (Lupin)	41	1/24/2012	8/14/2014
Green, Kevin (Teva)	14	3/21/2012	8/14/2013
J.M. (Upsher-Smith)	10	8/7/2014	3/5/2015
Nailor, Jill (Greenstone)	9	4/2/2014	10/15/2014
Green, Kevin (Zydus)	8	11/7/2013	4/30/2015
M.F. (Zydus)	7	7/23/2012	1/23/2014
S.H. (Upsher-Smith)	6	9/17/2014	3/26/2015
Upsher-Smith Laboratories	4	9/15/2014	10/13/2014
Rogerson, Rick (Actavis)	3	5/5/2011	9/28/2011
C.P. (Rising)	3	4/28/2014	10/24/2014
S.R.(1) (Amneal)	2	5/20/2013	12/18/2013
S.R.(2) (Amneal)	2	11/27/2013	8/8/2014
M.M. (Upsher-Smith)	2	11/9/2013	11/20/2013
E.H. (Upsher-Smith)	2	9/12/2014	9/16/2014
N.M. (Dr. Reddy's)	1	7/23/2012	7/23/2012
D.C. (Upsher-Smith)	1	4/18/2013	4/18/2013
B.L. (Upsher-Smith)	1	9/12/2014	9/12/2014

ix. Jill Nailor

1057. Nailor has worked at Greenstone since August 2010 and is currently the Senior Director of Sales and National Accounts. Nailor directed her subordinate R.H., a national account executive, and others at Greenstone to fix prices and allocate customers with competitors on overlap drugs, including with several of the Defendants. She also instructed them to avoid putting any evidence of such communications into writing.

1058. In addition, Nailor regularly communicated directly with competitors herself. For example, between August 2010 and May 2017, Nailor exchanged at least 4,439 phone calls and text messages with her contacts at Defendants Amneal, Dr. Reddy's, Actavis, Aurobindo, Mylan, Glenmark, Zydus, Teva, Sandoz, Lupin,

Wockhardt, Lannett, Apotex, Upsher-Smith, Par, and Taro. These communications are detailed in the table below:

Contact Name	Count	Min Date	Max Date
S.R.(1) (Amneal)	3769	8/26/2010	5/1/2018
V.B. (Dr. Reddy's)	125	10/16/2014	5/8/2017
A.B. (Actavis)	86	9/21/2011	7/14/2016
J.P. (Amneal)	75	8/27/2010	9/28/2016
T.W. (Dr. Reddy's)	62	8/28/2010	5/23/2016
A.T. (Aurobindo)	46	8/26/2012	5/12/2013
Falkin, Marc (Actavis)	41	1/6/2014	3/14/2016
Nesta, Jim (Mylan)	40	12/5/2012	11/13/2015
Grauso, Jim (Aurobindo)	31	7/19/2012	1/6/2014
Brown, Jim (Glenmark)	23	9/5/2013	8/25/2016
L.S. (Zydus)	20	4/27/2012	8/22/2013
Grauso, Jim (Glenmark)	17	1/30/2015	5/26/2016
D.C. (Glenmark)	11	5/29/2013	7/7/2013
Patel, Nisha (Teva)	13	1/21/2014	3/6/2014
Kellum, Armando (Sandoz)	9	4/2/2014	10/15/2014
K.S. (Zydus)	8	6/13/2012	6/13/2012
Berthold, David (Lupin)	8	4/16/2013	6/19/2015
M.C. (Wockhardt)	7	8/9/2016	8/9/2016
J.D. (Teva)	6	2/16/2011	5/15/2012
Teva Pharmaceuticals	6	2/16/2011	1/22/2014
D.S. (Actavis)	5	11/27/2010	1/31/2012
S.C. (Actavis)	5	4/18/2012	4/22/2012
Rekenthaler, David (Teva)	4	12/12/2013	1/22/2014
K.S. (Lannett)	3	12/12/2014	1/6/2015
R.C. (Aurobindo)	3	10/8/2013	10/18/2013
B.A. (Apotex)	3	6/25/2015	6/28/2016
P.M. (Aurobindo)	2	7/22/2014	8/13/2014
D.Z. (Upsher-Smith)	2	5/24/2017	5/24/2017
J.H. (Par)	2	4/20/2016	4/21/2016
Cavanaugh, Maureen (Teva)	1	12/5/2012	12/5/2012
CW-3 (Sandoz)	1	5/29/2013	5/29/2013
J.H. (Apotex)	1	7/15/2015	7/15/2015
Taro Pharmaceuticals	1	3/23/2011	3/23/2011
B.R. (Dr. Reddy's)	1	3/15/2012	3/15/2012
N.C. (Actavis)	1	1/29/2013	1/29/2013
Lupin Pharmaceuticals	1	6/17/2015	6/17/2015

x. James Nesta

1059. Nesta started his employment with Mylan in 2000 and is currently the Vice President of Sales at Defendant Mylan. Nesta communicates regularly with his counterparts at many of the corporate Defendants. For example, between January 2011 and February 2016, Nesta exchanged at least 5,293 phone calls and text messages with his contacts at Defendants Amneal, Teva, Dr. Reddy's, Zydus, Aurobindo, Actavis, Lupin, Sandoz, Lannett, Taro, and Par, as well as non-Defendant Greenstone. These communications are detailed in the table below:

Contact Name	Count	Min Date	Max Date
R.H. (Greenstone)	2310	6/9/2011	8/24/2015
S.R.(1) (Amneal)	1079	1/3/2011	12/17/2015
Green, Kevin (Teva)	461	2/21/2012	10/4/2013
B.R. (Dr. Reddy's)	386	1/6/2011	6/28/2012
K.R. (Zydus)	121	7/21/2011	10/1/2014
Green, Kevin (Zydus)	117	1/7/2014	8/17/2017
Rekenthaler, David (Teva)	102	4/5/2012	3/17/2015
A.T. (Aurobindo)	95	8/26/2012	5/1/2013
Falkin, Marc (Actavis)	78	12/3/2013	8/17/2015
J.K. (Aurobindo)	76	10/1/2013	1/8/2016
V.B. (Dr. Reddy's)	71	8/7/2014	2/2/2016
Berthold, David (Lupin)	68	4/21/2013	10/13/2014
CW-4 (Sandoz)	67	9/6/2012	10/14/2013
J.A. (Dr. Reddy's)	52	3/9/2011	2/27/2014
K.N. (Dr. Reddy's)	42	6/7/2011	6/9/2011
Nailor, Jill (Greenstone)	40	12/5/2012	11/13/2015
K.S. (Lannett)	35	1/4/2013	4/23/2014
T.W. (Dr. Reddy's)	14	1/11/2013	2/5/2013
P.M. (Aurobindo)	13	4/5/2013	6/19/2013
T.G. (Aurobindo)	12	2/25/2016	2/25/2016
S.R.(2) (Amneal)	11	10/1/2014	1/15/2015
R.C. (Teva and Aurobindo)	10	7/20/2011	11/2/2011
Patel, Nisha (Teva)	10	5/10/2013	8/8/2013
Sullivan, Tracy (Lannett)	7	7/21/2014	7/22/2014
L.P. (Taro)	4	11/2/2012	1/17/2013
B.P. (Zydus)	4	7/21/2011	7/21/2011
C.N. (Sandoz)	3	12/2/2012	12/17/2012
Teva Pharmaceuticals	3	8/2/2011	8/2/2011
J.H. (Par)	2	2/4/2014	2/4/2014

xi. Konstantin Ostaficiuk

1060. Ostaficiuk is the President of Defendant Camber and has held that position since 2009. During his tenure at Camber, Ostaficiuk has been the primary person responsible for furthering price fixing and market allocation agreements with his competitors. Indeed, Ostaficiuk regularly communicated with competitors and maintained relationships with executives at many of the corporate Defendants. For example, between March 2011 and August 2017, Ostaficiuk exchanged at least 464 phone calls with his contacts at Defendants Amneal, Lannett, Breckenridge, Aurobindo, Lupin, Teva, Rising, Breckenridge, Taro, Glenmark, Zydus, Dr. Reddy's, Wockhardt, Sandoz, and Actavis. These communications are detailed in the table below:

Contact Name	Count	Min Date	Max Date
S.R.(2) (Amneal)	128	3/22/2011	6/11/2017
K.S. (Lannett)	122	3/10/2011	8/24/2017
S.C. (Breckenridge)	46	3/25/2011	7/24/2017
Grauso, Jim (Aurobindo)	39	3/21/2012	12/9/2013
Berthold, David (Lupin)	19	5/14/2012	4/4/2016
S.R.(1) (Amneal)	12	3/12/2012	10/25/2016
R.M. (Lannett)	10	12/15/2011	2/14/2012
Rekenthaler, David (Teva)	10	9/22/2014	2/19/2015
C.M. (Aurobindo)	9	5/27/2015	11/12/2015
K.M. (Rising)	8	7/17/2014	6/8/2016
Breckenridge Pharmaceuticals	7	11/9/2011	10/29/2014
M.B. (Taro and Glenmark)	6	5/30/2012	6/6/2012
Sullivan, Tracy (Lannett)	6	5/19/2011	8/28/2012
P.H. (Zydus)	5	5/8/2012	5/16/2012
Grauso, Jim (Glenmark)	5	7/30/2014	10/29/2014
P.G. (Breckenridge)	4	5/20/2011	12/17/2015
M.K. (Zydus)	4	1/5/2015	12/30/2015
B.R. (Dr. Reddy's)	4	1/18/2012	3/30/2012
K.K. (Wockhardt)	4	10/5/2011	2/1/2012
D.P. (Sandoz)	3	7/9/2014	7/14/2014
CW-5 (Glenmark)	3	11/19/2013	11/19/2013
Falkin, Marc (Actavis)	2	6/6/2013	12/5/2013
P.M. (Aurobindo)	2	8/20/2013	5/2/2014
B.M. (Amneal)	1	10/3/2011	10/3/2011
Brown, Jim (Glenmark)	1	10/29/2014	10/29/2014
L.P. (Taro)	1	6/26/2015	6/26/2015
D.N. (Breckenridge)	1	4/4/2016	4/4/2016
A.T. (Aurobindo)	1	2/1/2013	2/1/2013
S.G. (Glenmark)	1	4/27/2011	4/27/2011

xii. Nisha Patel

1061. Patel worked at Defendant Teva from April 2013 to December 2016, first as a Director of Strategic Customer Marketing and then as a Director of National Accounts. As discussed in great detail above, Patel was in frequent communication with her counterparts at the corporate Defendants to fix prices and allocate markets. For example, during her time at Teva, Patel exchanged at least 1,240 phone calls and text messages with her contacts at Defendants Zydus, Sandoz, Actavis, Glenmark, Taro, Lupin, Dr. Reddy's, Lannett, Par, Apotex, Aurobindo, Mylan, Amneal, Upsher-Smith, and Breckenridge, as well as non-Defendant Greenstone. As discussed in various sections of this Complaint, Patel also frequently communicated with competitors using Facebook Messenger, LinkedIn messaging, and the encrypted messaging application WhatsApp. The communications detailed in the table below include only telephone calls and text messages:

Contact Name	Count	Min Date	Max Date
Green, Kevin (Zydus)	184	11/8/2013	8/31/2016
CW-1 (Sandoz)	183	4/26/2013	8/9/2016
Rogerson, Rick (Actavis)	157	5/2/2013	11/9/2015
CW-5 (Glenmark)	121	5/2/2013	3/4/2014
R.H. (Greenstone)	105	5/7/2013	10/13/2016
Aprahamian, Ara (Taro)	100	5/22/2013	3/3/2016
Berthold, David (Lupin)	76	5/6/2013	4/8/2014
J.C. (Glenmark)	44	5/6/2013	7/28/2015
Brown, Jim (Glenmark)	36	8/6/2013	10/15/2014
V.B. (Dr. Reddy's)	28	6/10/2014	9/27/2016
A.B. (Actavis)	28	4/30/2013	10/16/2015
A.S. (Actavis)	28	9/16/2015	3/10/2016
Nailor, Jill (Greenstone)	18	1/21/2014	3/6/2014
Sullivan, Tracy (Lannett)	17	6/12/2014	4/6/2016
T.P. (Par)	16	6/26/2014	11/10/2014
B.H. (Apotex)	14	5/20/2013	6/12/2015
Grauso, Jim (Aurobindo)	12	5/14/2013	7/8/2013
Falkin, Marc (Actavis)	11	2/5/2016	6/16/2016
Nesta, Jim (Mylan)	10	5/10/2013	8/8/2013
A.G. (Actavis)	9	1/27/2015	6/9/2016
S.R.(2) (Amneal)	9	9/9/2014	5/29/2015
B.L. (Upsher-Smith)	8	4/29/2013	9/18/2014
Grauso, Jim (Glenmark)	6	2/28/2014	1/5/2015
K.R. (Zydus)	6	10/10/2013	9/18/2014
S.G. (Zydus)	4	2/29/2016	5/24/2016
M.B. (Actavis)	3	2/26/2016	6/6/2016
M.B. (Glenmark)	3	5/10/2013	5/23/2013
S.C. (Breckenridge)	2	2/7/2014	2/7/2014
S.R.(1) (Amneal)	2	9/9/2014	1/6/2015

xiii. David Rekenthaler

1062. Rekenthaler was the Vice President of Sales, US Generics at Defendant Teva until April 2015. Rekenthaler is now the Vice President of Sales at Defendant Apotex. During his time at Teva, Rekenthaler knew that his colleagues, including Green and Patel, were colluding with competitors. Indeed, Rekenthaler was also in frequent contact with competitors himself and had relationships with executives at nearly all the

corporate Defendants. For example, between January 2011 and March 2015, Rekenthaler exchanged at least 1,044 phone calls and text messages with his contacts at Defendants Actavis, Mylan, Par, Aurobindo, Apotex, Zydus, Sandoz, Rising, Amneal, Breckenridge, Lupin, Dr. Reddy's, Glenmark, Taro, Lannett, and Wockhardt, as well as non-Defendant Greenstone. These communications are detailed in the table below:

Contact Name	Count	Min Date	Max Date
Falkin, Marc (Actavis)	433	8/7/2013	3/25/2015
Nesta, Jim (Mylan)	102	4/5/2012	3/17/2015
G.B. (Par)	89	1/11/2011	2/13/2015
R.C. (Aurobindo)	75	10/6/2011	3/24/2015
J.H. (Apotex)	65	5/6/2013	3/9/2015
Green, Kevin (Zydus)	42	11/8/2013	3/30/2015
A.S. (Actavis)	26	1/11/2012	4/1/2013
CW-2 (Sandoz and Rising)	24	11/14/2011	11/20/2014
J.H. (Par)	19	9/16/2013	3/7/2015
S.G. (Zydus)	18	12/2/2013	1/29/2015
B.P. (Mylan)	18	9/12/2011	12/23/2013
A.B. (Actavis)	16	4/1/2013	9/16/2014
J.K. (Actavis)	15	10/11/2013	3/29/2015
S.R.(2) (Amneal)	13	5/8/2013	3/12/2015
D.N. (Breckenridge)	10	6/14/2012	6/10/2014
Ostaficiuk, Kon (Camber)	10	9/22/2014	2/19/2015
Berthold, David (Lupin)	9	10/14/2013	1/16/2014
J.K. (Mylan)	8	1/11/2012	2/7/2012
K.M. (Rising)	8	4/14/2011	1/4/2012
B.R. (Dr. Reddy's)	7	8/11/2011	4/16/2012
K.R. (Zydus)	5	10/10/2013	12/17/2013
CW-5 (Glenmark)	4	9/27/2013	3/11/2014
Nailor, Jill (Greenstone)	4	12/12/2013	1/22/2014
E.G. (Taro)	3	5/10/2011	3/8/2012
K.S. (Lannett)	3	10/31/2011	9/4/2014
C.V. (Greenstone)	3	11/14/2013	11/18/2013
T.W. (Dr. Reddy's)	3	7/29/2013	5/1/2014
J.J. (Taro)	2	1/31/2011	7/2/2012
J.M. (Lannett and Glenmark)	2	4/30/2011	11/19/2012
M.B. (Glenmark)	2	2/26/2013	2/28/2013
B.W. (Wockhardt)	2	1/5/2012	3/10/2014
Brown, Jim (Glenmark)	1	3/24/2014	3/24/2014
S.R.(1) (Amneal)	1	8/6/2012	8/6/2012
G.R. (Aurobindo)	1	11/1/2011	11/1/2011
Grauso, Jim (Aurobindo)	1	12/8/2011	12/8/2011

xiv. Rick Rogerson

1063. Rogerson was the Executive Director of Pricing and Business Analytics at Defendant Actavis until Actavis was acquired by Teva in August 2016. Rogerson now works at Defendant Amneal as a Senior Director of Marketing and Business Analytics. During his time at Actavis, Rogerson communicated with his contacts at several corporate Defendants. For example, between February 2010 and July 2016, Rogerson exchanged at least 635 phone calls and text messages with his contacts at Defendants Wockhardt, Teva, Dr. Reddy's, Sandoz, Lannett, Glenmark, Taro, and Zydus. These communications are detailed in the table below:

Contact Name	Count	Min Date	Max Date
K.A. (Wockhardt)	316	3/11/2010	1/28/2016
Patel, Nisha (Teva)	157	5/2/2013	11/9/2015
N.M. (Dr. Reddy's and Sandoz)	43	10/15/2013	3/6/2018
J.M. (Lannett and Glenmark)	32	6/24/2010	1/6/2012
K.G. (Teva)	29	12/15/2015	7/29/2016
Teva Pharmaceuticals	27	9/24/2015	7/29/2016
C.B. (Teva)	17	2/26/2016	7/26/2016
Aprahamian, Ara (Taro)	4	6/17/2013	4/16/2014
S.G. (Glenmark)	3	2/8/2010	2/8/2010
Kellum, Armando (Sandoz)	3	5/5/2011	9/28/2011
Taro Pharmaceuticals	2	6/14/2013	11/20/2013
J.W. (Zydus)	2	6/24/2014	6/25/2014

xv. Tracy Sullivan

1064. Defendant Tracy Sullivan has been employed at Defendant Lannett since 2007 and is currently the Director of National Accounts. Sullivan regularly communicated with competitors and maintained relationships with executives at many of the corporate Defendants. For example, between March 2011 and August 2016, Sullivan exchanged at least 495 phone calls and text messages with her contacts at Defendants

Zydus, Wockhardt, Teva, Dr. Reddy's, Par, Amneal, Aurobindo, Mylan, and Breckenridge, as well as non-Defendant Greenstone. These communications are detailed in the table below:

Contact Name	Count	Min Date	Max Date
K.R. (Zydus)	124	6/5/2011	11/14/2014
K.K. (Wockhardt)	101	4/11/2012	1/16/2014
J.P. (Teva)	50	3/26/2014	3/3/2016
R.H. (Greenstone)	37	7/29/2011	3/14/2016
B.R. (Dr. Reddy's)	28	3/28/2011	8/7/2011
J.A. (Dr. Reddy's)	22	4/28/2011	5/13/2014
Patel, Nisha (Teva)	17	6/12/2014	4/6/2016
L.S. (Zydus)	16	7/30/2011	8/15/2013
D.V. (Dr. Reddy's)	14	9/22/2015	8/19/2016
K.O. (Par)	14	7/26/2013	5/9/2015
J.W. (Zydus)	11	6/3/2014	3/7/2016
J.P. (Amneal)	11	5/24/2011	5/9/2015
P.M. (Aurobindo)	10	6/5/2013	6/10/2013
K.N. (Dr. Reddy's)	7	2/23/2016	3/7/2016
Nesta, Jim (Mylan)	7	7/21/2014	7/22/2014
Ostaficiuk, Kon (Camber)	6	5/19/2011	8/28/2012
D.N. (Breckenridge)	4	9/25/2012	9/17/2014
Green, Kevin (Teva)	4	5/23/2011	11/14/2012
Green, Kevin (Zydus)	4	2/16/2014	2/16/2014
C.M. (Aurobindo)	3	5/9/2015	5/9/2015
G.R. (Aurobindo)	2	6/14/2011	6/14/2011
P.G. (Breckenridge)	1	9/7/2011	9/7/2011
S.K. (Wockhardt)	1	10/6/2011	10/6/2011
P.H. (Zydus)	1	7/20/2012	7/20/2012

5. A Commitment To The Overarching Conspiracy Was Instrumental To The Success Of The Price Fixing Agreements

1065. As detailed above, the overall understanding among the co-conspirators required a commitment that each competitor was entitled to its “fair share” of a given market. When a competitor was satisfied that it had its “fair share” of a particular drug market, competition waned and prices rose. These “fair share” principles were the foundation upon which the price increases were built. So long as each competitor had its

“fair share,” no competitor was incentivized to compete for business when another competitor increased price. In short, competition resulted in lower prices; and as far as Defendants were concerned, nobody won in that scenario. Indeed, it was generally understood that when a competitor increased price, the other competitors in the same drug market would either decline to bid for the business or would bid high so as not to punish the party that took the price increase. Often, the competitor would then follow with a comparable price increase of its own.

1066. There are numerous examples throughout this Complaint of competitors refusing to compete in the face of a price increase so as not to “punish” the leader or “steal” market share. As just one example, when Defendant Teva was approached by a large retail customer in May 2013 to bid on a drug for which Greenstone had increased prices, Green expressed caution stating, “not sure I want to steal it on an increase.” Teva later declined to bid on the business.

1067. The concept of “fair share” and price increases went hand in hand. For example, as discussed above the ongoing understanding between Defendants Teva and Sandoz that they would follow each other’s price increases was predicated on the agreement that the follower would not poach the leader’s customers after the increase. The same was true for the understanding between Sandoz and Mylan. As discussed above, Nesta specifically cautioned CW-4 that Mylan did not appreciate having its prices challenged after an increase – i.e., Mylan did not want Sandoz to steal its business by underbidding its customers. Similarly, Aprahamian of Taro often spoke with CW-3 of

Sandoz about coordinating price increases between the two companies.¹² Almost invariably, he would conclude the conversations with phrases like “don’t take my fucking customers,” “don’t take my business” or “don’t be stupid.”

1068. Further, because of this “fair share” understanding, it was not essential for the competitors to communicate with each other in advance of every price increase, although they often did so anyway. So long as the competitor knew before it was approached by customers that the reason for the solicitation was due to a price increase by the incumbent supplier, the competitor knew not to compete for the business. Similarly, the competitor knew it would have the opportunity, which it often took, to follow the increase with a comparable price increase of its own.

6. “Quality Competitor” Rankings Relate To Price Increases, But Even “Low Quality” Competitors Comply With The Overarching Conspiracy

1069. As a further demonstration that the fair share understanding was universally accepted and understood in the generic pharmaceutical industry, even companies that Patel and Teva referred to as “low quality competitors” – because they were not viewed as strong leaders or followers for price increases – consistently complied with the principles of “fair share” and “playing nice in the sandbox.”

¹² Although there are some examples of communications between Aprahamian and CW-3 discussed in this Complaint, as they relate to Teva drugs, many other collusive communications over a period of time, and the drugs they relate to, will be the subject of a subsequent complaint.

a. Example: Camber (and its President, Ostaficiuk).

1070. When Patel first created the quality of competitor rankings in early May 2013, she gave Defendant Camber a ranking of -2. When Patel revised those rankings one year later in May 2014, Camber's ranking did not change. It remained one of the lowest ranked of all of Teva's competitors.

1071. Nonetheless, Camber adhered to the fair share understanding, and consistently applied those rules in dealing with its competitors.

1072. This was evident when, in September 2014, Camber entered the market for two different drugs that overlapped with Teva.

1073. One of those drugs was Raloxifene Hydrochloride Tablets ("Raloxifene"), also known by the brand name Evista – a drug used in the treatment of osteoporosis in postmenopausal women.

1074. Teva had begun marketing Raloxifene in March of that year. Actavis had received approval to begin marketing Raloxifene in 2014 as well, but had not yet entered by September 2014.

1075. The other drug was a generic form of Lamivudine/Zidovudine – a combination medication also known by the brand name Combivir. Generic Combivir is used in the treatment of human immunodeficiency virus (HIV). Camber had received approval to market a generic form of Combivir in February 2014, but as of September 2014 was still in the process of entering the market. Already in the market were competitors Teva, Aurobindo and Lupin. As discussed more fully above in Section

IV.C.1.c.i., Defendants Teva, Lupin and Aurobindo agreed to divvy up the generic Combivir market in 2012 when Teva was losing exclusivity on that drug.

1076. As the anticipated product launches for Raloxifene approached, the new entrants discussed an allocation strategy with Teva to ensure they each received their fair share of the market. On September 9, 2014, Rekenthaler had a twenty-six (26) minute phone call with A.B., a senior sales and marketing executive at Actavis. A short time later, a Teva executive told colleagues that she had “just heard Camber and Actavis expect to launch 9/24.”

1077. Teva’s discussions with Actavis escalated over the coming week. On September 10, Rekenthaler exchanged two calls with Falkin of Actavis lasting fifteen (15) minutes and one (1) minute, respectively. On September 11, the men talked for ten (10) more minutes. On September 16, Rekenthaler spoke by phone a total of six (6) times with different Actavis personnel, including one call with A.B. lasting thirty-four (34) minutes.

1078. The following morning, in response to an inquiry regarding whether Teva intended to retain a major customer’s Raloxifene business, K.G. of Teva replied in the affirmative. Rekenthaler then shared the information he had gathered through his communications with competitors: “I know Actavis will be late. Camber is talking but their [sic] being somewhat unclear as well. I’ll know more about them after my trip this week.” That same day, on September 17, 2014, Camber sent an offer for Raloxifene to a large Teva customer, Econdisc.

1079. Rekenthaler and Kon Ostaficiuk, the President of Camber Pharmaceuticals, spent the next three days – September 17 through September 19 – playing golf during the day and socializing at night at an industry outing in Kentucky sponsored by a packaging vendor.

1080. On September 21, 2014, Ostaficiuk called Rekenthaler and the two spoke for two (2) minutes. The next day, Rekenthaler initiated a series of four (4) phone calls with Ostaficiuk. The two spoke for a total of thirty (30) minutes that day. Notably, these are the first identified phone calls ever between the two competitors. As a result, Camber sent a revised offer to its potential customer that same afternoon, containing modified prices for Raloxifene.

1081. On September 24, Patel discussed a Raloxifene allocation strategy with her Teva colleagues in light of Camber's offer to the large Teva customer, Econdisc. She emphasized Camber's expressed commitment to the overarching conspiracy among the competitors – and conveyed information she obtained from Rekenthaler during his conversations with Ostaficiuk – stating: "Camber indicated that they are targeting Econdisc and a small retailer ... and then they would be 'done.'"

1082. As a part of this discussion, K.G. considered whether Teva should just concede Econdisc to Camber, and seek to recover that market share with another customer. At 9:07am that morning, Patel informed her supervisor K.G. and numerous others at Teva, that Rekenthaler planned to discuss the matter with Camber:

From: Nisha Patel02
 Sent: Wed 9/24/2014 9:07 AM (GMT-05:00)
 To: [REDACTED]
 Cc: Dave Rekenthaler; [REDACTED]
 Bcc: [REDACTED]
 Subject: Re: Econdisc Raloxifene Intel

FYI, Dave is working on verifying the Camber price. Stand by.

Sent from my iPhone

Indeed, at 9:28am that morning, Rekenthaler called Ostaficiuk and the two spoke for two (2) minutes. They spoke two more times that day, including one call that lasted eight (8) minutes.

1083. Some of these calls also related to Camber's entry into the market for generic Combivir. Teva and Lupin were already in the market for generic Combivir, and Ostaficiuk was engaging in contemporaneous communications with Rekenthaler of Teva and Berthold of Lupin to negotiate Camber's entry into that market. At least some of those calls on September 24, 2014 are set forth below:

Date	Call Type	Target Name	Direction	Contact Name	Time	Duration
9/24/2014	Voice	Ostaficiuk, Kon (Camber)	Incoming	Rekenthaler, David (Teva)	5:28:00	0:02:00
9/24/2014	Voice	Ostaficiuk, Kon (Camber)	Outgoing	Rekenthaler, David (Teva)	8:19:00	0:02:00
9/24/2014	Voice	Ostaficiuk, Kon (Camber)	Outgoing	Berthold, David (Lupin)	8:21:00	0:02:00
9/24/2014	Voice	Ostaficiuk, Kon (Camber)	Incoming	Berthold, David (Lupin)	8:23:00	0:10:00
9/24/2014	Voice	Ostaficiuk, Kon (Camber)	Incoming	Rekenthaler, David (Teva)	10:35:00	0:07:00

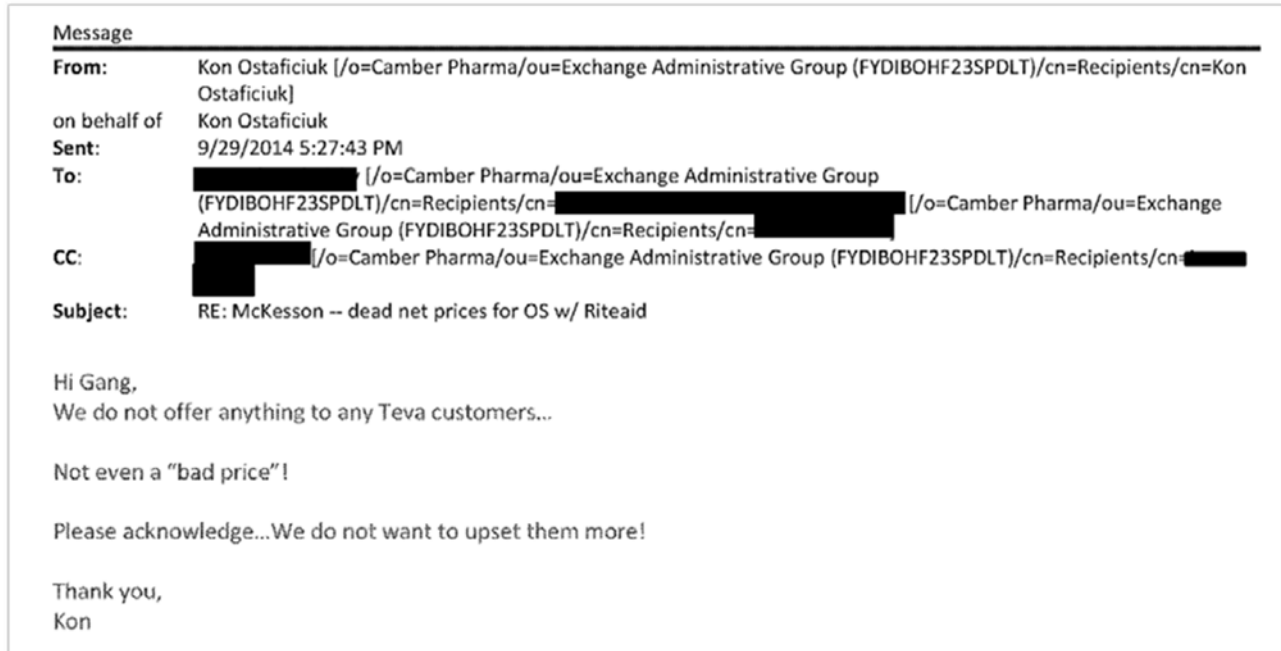
On that same day, Berthold also spoke with P.M., a senior operations executive at Aurobindo, for more than eighteen (18) minutes, to close the loop on the generic Combivir communications.

1084. On September 25, after discussing with his colleagues which customers Teva should concede in order to give Camber its fair share of the Raloxifene market, and armed with the information Rekenthaler had gathered from Camber's President, K.G. concluded: "Okay, we will concede additional smaller customer challenges (particularly distributors) since they are not going to target One Stop." Rekenthaler and Ostaficiuk spoke again twice that day.

1085. That evening, a Camber executive instructed a colleague to gather market intelligence on possible additional customers for Camber's new Raloxifene product, but stressed that the company would not bid on any additional Teva accounts "until we know how we do with Econ[disc]."

1086. On Friday September 26, 2014, Camber publicly announced that it was launching Raloxifene, the generic version of Evista. Rekenthaler called Ostaficiuk that day, for a short one (1) minute call.

1087. From those telephone calls, Rekenthaler expressed to Ostaficiuk that Teva did not want Camber challenging for any more of its customers, on Raloxifene or generic Combivir. As a result of this communication, on Monday September 29, 2014 Ostaficiuk sent the following e-mail to his colleagues at Camber:



1088. A.R., a senior sales executive at Camber, replied: “We have not made any offers to any Teva Raloxifene accounts since we received the Econ award. Both Sales and Contracts are aware, & requesting incumbent detail for all offers, if Teva, no offer.” A.R. also added that “We are also not seeking any Lupin business on Lamo/Zidovudine [aka generic Combivir].” Ostaficiuk replied: “Thank you. We don’t want to antagonize either of them and start a war...”

1089. About a week later, on October 7, 2014, a large Teva customer informed a Teva sales representative that Camber had made an unsolicited bid for its Raloxifene business. J.P., a Director of National Accounts at Teva, sent an e-mail to certain employees at Teva, including Rekenthaler, notifying them of her conversation with the customer, and expressing surprise given the agreement Teva had previously reached with Camber: “I thought they were done after securing Econdisc?” Based on his prior

conversations with Ostaficiuk, Rekenthaler doubted that Camber made an offer to another Teva customer, stating: “You’re positive they sent them an offer?”

1090. J.P. of Teva “relayed ‘the message’” to the customer that “the market should be stable at this point” and Teva would be surprised if Camber had intended to make an offer to the customer. After further discussion with the customer, Teva staff learned that it was a misunderstanding. Camber never actually made the offer, but had instead complied with its agreement with Teva.

1091. The fair share agreement continued to govern as usual until mid-December 2014, when Camber learned of supply problems at Teva on Raloxifene. A Camber employee described the prospect of Teva being on backorder for this drug as a “Game changer.” Expressing her understanding of the rules of the conspiracy, she pointed out: “**Fair share only applies when there is not supply constraints.**” Ostaficiuk responded optimistically, but cautiously: “Good luck guys but go fishing and gather information before we commit . . .”

7. Teva Profitability Increases Dramatically As A Result Of Price Increases.

1092. As discussed more fully above, from July 3, 2013 through January 28, 2015, Teva conspired with its competitors to raise prices on at least 85 different drugs. The impact of these price increases on Teva’s profitability was dramatic.

1093. After these price increases – on July 30, 2015 – Teva reported strong results and raised its guidance for the full year 2015. Among other things: (1) net income was up 15% compared to the prior year; (2) operating income was up 16% compared to the prior

year; and (3) cash flow from operations was up 41% compared to the prior year. Teva reported a gross profit margin of 62.8%, which was up from 58.1% the prior year. Teva's stock prices also soared. By July 2015, Teva's stock price was trading at an all-time high. These significant results were obtained largely as a result of the anticompetitive conduct detailed herein.


8. *Teva and Its Executives Knowingly Violated The Antitrust Laws*


1094. Teva was aware of the antitrust laws, and paid them lip service in its Corporate Code of Conduct. For example, Teva's Code of Conduct from the summer of 2013 states specifically:

Anti-trust, Unfair Competition and Business Intelligence

Teva conducts business based on our belief in fair, free and open markets:

- We do not attempt to obtain information of or about our competitors in an illegal or unfair way
- We do not gather information about our competitors through deception, theft, misrepresentation, or other illegal or unethical means
- We do not communicate with competitors about competitive business matters



For Internal Training Purposes Only
14
July 2013


1095. But high-level executives at Teva were aware that those laws were being violated systematically and egregiously, and never instructed Teva employees to stop or to rescind the agreements that Teva had reached with its competitors.

1096. For example, when Patel started at Teva in late-April 2013, she immediately began ranking Teva's competitors by their "quality." "Quality" was nothing more than a euphemism for "good co-conspirator," and it was well known internally at Teva that Patel was identifying price increase candidates based on who Teva's competitors were for those drugs, and whether she or others at Teva had an understanding in place. Indeed, Patel already had a short list of price increase candidates in place on the day she started at Teva, which was based at least in part on conversations she had already been having with Teva's competitors before she started, including Defendant Ara Aprahamian at Taro.

1097. As Patel was starting to create her ranking of quality competitors and identify candidates for price increases, she sent her very first iteration of the quality competitor ranking to her supervisor, K.G. – a senior marketing executive at Teva – on May 1, 2013. That ranking included, within the category of "Strong Leader/Follower," the following competitors: Mylan, Actavis, Sandoz, Glenmark, Taro and Lupin. The preliminary list of price increase candidates also included the formula that Patel would use to identify price increase candidates using the quality of competitor scores.

1098. With K.G.'s approval of her methodology for identifying price increase candidates, Patel continued communicating with competitors and agreeing to price increases. She also routinely provided K.G. with intelligence that she had received from her communications with competitors. For example, when Patel sent her very first formal "PI Candidates" spreadsheet to K.G. on May 24, 2013, she identified, for example, that the drug Nabumetone was a price increase candidate because, among other things,

“Sandoz [was] also bidding high.” For the drug Adapalene Gel, Patel noted that there were “[r]umors of a Taro increase” – even though Taro had not yet increased its prices for Adapalene Gel. Patel had obtained this competitively sensitive information directly from her communications with competitors.

1099. K.G. immediately forwarded that information to Defendant Maureen Cavanaugh, the Senior Vice President of Sales at Teva, who approved of the price increases based on the reasoning that Patel provided for each drug. As discussed more fully above, Teva raised prices on those drugs (and others) on July 3, 2013.

1100. Cavanaugh was well aware that Patel was communicating with competitors about price increases, and making recommendations based on those communications, because Patel told her so directly. For example, during a 2013 meeting of Teva sales and pricing personnel where Cavanaugh was present, Patel was discussing her communications with certain competitors about price increases when Cavanaugh smiled, put her hands over her ears, and pretended that she could not hear what was being said. Not once, however, did Cavanaugh ever tell Patel or anyone else at Teva to stop conspiring with Teva’s competitors or rescind the agreements that had been reached.

1101. Patel continued to send intelligence that she had obtained from competitors to her supervisor, K.G. On August 7, 2013, Patel sent to K.G. a summary list of drugs slated for a price increase on August 9, 2013. In the “Reasons for Increase” column, Patel again included specific information that could only have come from her communications with competitors, including:

Product Category	Reason for Increase
ETODOLAC ER TABLETS	Follow Taro (likely to be this week with IR)
ETODOLAC TABLETS	Follow Sandoz; Taro likely to follow this week
PRAVASTATIN TABLETS	Follow Glenmark, Zydus and Apotex. Lupin waiting on Teva.

This time, K.G. – recognizing that it was inappropriate for Teva to have this information in writing – asked Patel to change those references above, to remove the offending language:

Under reasons, I would change to the following:

1. Etodolac ER : Follow Taro
2. Etodolac : Follow Sandoz; Taro increase anticipated.
3. Pravastatin : Follow Glenmark, Zydus, and Apotex. Lupin increase anticipated.

As discussed more fully above, Teva increased prices on those three drugs two days later. Not once did K.G. ever tell Patel to stop communicating with competitors, or to rescind any of the agreements she had reached on behalf of Teva.

1102. Patel also spoke regularly to both Rekenthaler and Green about each other's communications with competitors. Patel was aware that both Rekenthaler and Green were communicating with competitors, sometimes at her direction. Green and Rekenthaler, in turn, were also both aware that Patel was communicating with competitors and implementing price increases based on those communications.

1103. Rekenthaler – the Vice President of Sales at Teva – was aware that communicating with competitors about pricing and market allocation was illegal, and took steps to avoid any evidence of his wrongdoing. For example, as discussed more fully

above, on July 15, 2013 CW-2 of Sandoz called Rekenthaler at Teva and left a message. Rekenthaler called CW-2 back immediately and they had a three (3) minute conversation during which CW-2 asked Rekenthaler to provide him with a full, comprehensive list of all drugs that Teva had recently increased pricing on – not just those drugs where Teva overlapped with Sandoz. Rekenthaler complied. Understanding, however, that it was improper to share competitively sensitive pricing information with a competitor, and in an effort to conceal such conduct, Rekenthaler first sent the Teva price increase list from his work e-mail account to a personal e-mail account, then forwarded the list from his personal e-mail account to CW-2's personal e-mail account.

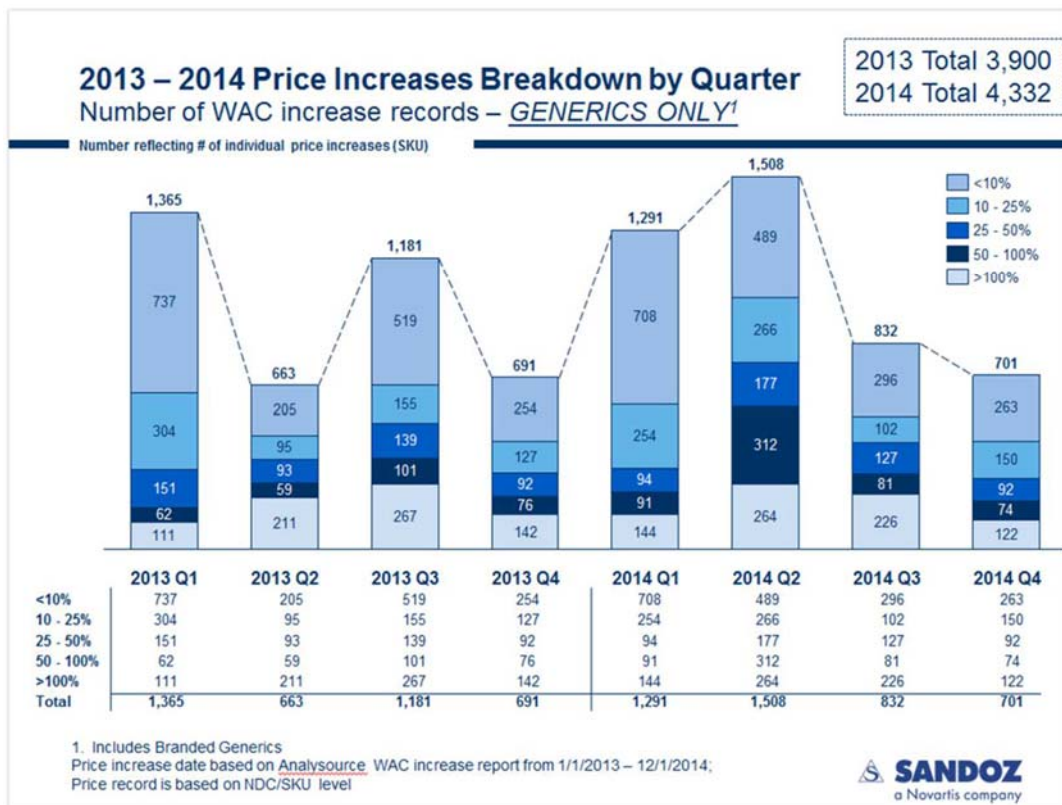
9. Price Increases Slow Dramatically After Government Investigations Commence

1104. As further evidence that the price increases discussed above were not the result of normal market factors, the massive price spikes that were occurring in the industry in 2013 and 2014 slowed dramatically after the State of Connecticut commenced its antitrust investigation in July 2014 (but prices remained steadily and artificially high). This was not a coincidence. Generic drug manufacturers in the industry – including the Defendants in this case – understood that they were under scrutiny and did not want to draw further attention to themselves.

1105. In January 2015, Sandoz conducted an analysis of the price increases in the generic drug industry in 2013 and 2014, with an early look toward 2015. In its report, Sandoz found that “[g]eneric drug price increases in 2013 and 2014 were very common.” Specifically, the report stated: “For the years 2013 and 2014, there were 1,487 SKU

‘large price increases’ (WAC increase greater than 100%)[;] of this 12% (178 SKUs) were increased by more than 1000%.”

1106. The report went on to state that “[t]he number and level of price increases declined noticeably in 4Q 2014.” The following graphic, which was included in the Sandoz report, actually demonstrates that the number of price increases started to decline dramatically after the second quarter of 2014 – the same time that the States commenced their non-public investigation:



1107. The massive price spikes in the industry may have declined, but the already-high prices for most of these drugs did not go down. To date, prices for many of these drugs remain at significantly inflated, anti-competitive levels.

D. Consciousness Of Guilt

1108. The Defendants were aware that their conduct was illegal. They all made consistent efforts to avoid communicating with each other in writing, or to delete written electronic communications after they were made. There are numerous examples, discussed throughout this Complaint, where Teva employees indicated that they could not talk by e-mail, but had additional information that they could only convey personally. This was part of a consistent effort by these individuals, as well as individuals at other corporate Defendants, to avoid putting incriminating information in writing, in order to evade detection.

1109. For example, when Kevin Green wanted to speak with a particular competitor, he would routinely send a text message to that competitor, saying only “call me.” Again, this was done to avoid putting any potentially incriminating communications in writing. Patel learned this technique from Green, shortly after starting at Teva, and adopted a similar strategy for communicating with competitors.

1110. Armando Kellum of Sandoz was also aware that what he and others at Sandoz were doing was illegal. Kellum had received antitrust training, and knew that conspiring with competitors to fix or raise prices, or to allocate customers or markets, was a violation of the antitrust laws. Kellum would routinely admonish Sandoz employees for putting anything incriminating into e-mails, and voiced concern that the conduct they were engaging in – if discovered – could result in significant liability. As a result of Kellum’s admonishments, Sandoz employees (including Kellum himself)

routinely lied in e-mails about the sources of their information to camouflage their conduct, claiming they learned the information from a customer instead of a competitor.

1111. Similarly, Jill Nailor of Greenstone instructed her subordinates to avoid putting any sensitive market intelligence in writing.

1. Spoliation of Evidence

1112. Many of the individual participants, and other employees of the various corporate Defendants, took active steps to delete their conspiratorial communications with competitors, and destroy evidence of their illegal behavior.

1113. For example, Nisha Patel produced text messages – in response to the States’ subpoena – going back as far as early 2014. Prior to producing those text messages, however, Patel had deleted all of her text communications with competitors from the same time period, including many text messages with Aprahamian, Brown, Cavanaugh, Grauso, Green, Nailor, Rekenthaler and Sullivan; and many other text messages with employees of Dr. Reddy’s, Glenmark (including CW-5), Greenstone (including R.H.), Par, Sandoz, Upsher-Smith and Zydus.

1114. Patel deleted these text messages after a conversation with Rekenthaler in early 2015, when Rekenthaler warned Patel to be careful about communicating with competitors. Rekenthaler was aware of the government investigations that had been commenced, and told Patel that the government was showing up on people’s doorsteps. Sometime after that, Patel deleted her text messages with competitors.

1115. 1129. Defendant Apotex also destroyed an entire custodial file for one of its key employees (B.H., a senior sales executive), after the States requested it through an

investigatory subpoena in July 2017. As discussed above, B.H. was involved in coordinating two significant price increases with Patel of Teva in 2013, which resulted in Apotex soaring in the quality competitor rankings. After the States' subpoena was issued, Defendant Apotex destroyed B.H.'s custodial file – and did not inform the States that it had done so for over a year.

2. Obstruction of Justice

1116. Many of the Defendants have been coordinating consistently to obstruct the ongoing government investigations and to limit any potential response.

1117. For example, when the federal government executed a search warrant against Patel at her home on June 21, 2017, she immediately called Rekenthaler (from another phone because her phone had been seized) even though Rekenthaler was no longer employed at Teva and was by that point the Vice President of Sales at Defendant Apotex. Rekenthaler then immediately called Cavanaugh and C.B., another senior Teva executive. Rekenthaler spoke several times to Cavanaugh before then calling his own attorney and speaking twice. Later that day, Patel called Rekenthaler two more times to coordinate her response to the government.

1118. Other Defendants took similar action in response to events in the States' investigation. Several were speaking frequently at or around the time a subpoena was issued, or when the States were engaging in substantive discussions with their counsel. As just one example, on July 17, 2018 the States sent a subpoena to Grauso, through his counsel. That same day, Grauso spoke to Aprahamian for more than twelve (12) minutes. The States then set up a conference call with Grauso's counsel for July 25, 2018. The day

before that call – July 24, 2018 – Aprahamian spoke to his lawyer, and then shortly thereafter called Grauso. The next day, shortly after a conversation between the States and counsel for Grauso, Aprahamian and Grauso spoke again, this time for nearly seven (7) minutes.

V. THE GENERIC DRUG INDUSTRY WAS SUSCEPTIBLE TO COLLUSION

1119. Defendants’ anticompetitive conduct alleged in the Complaint constitutes a conspiracy to fix prices and engage in market customer allocation, which is a *per se* violation of the antitrust laws. Therefore, Plaintiff need not define a relevant market. There are, however, features of the industry relevant to this case that show both (i) that the industry is susceptible to collusion, and (ii) that the price increases were in fact the result of collusion and not the result of conscious parallelism.

1120. Indeed, the U.S. market for each of the generic drugs at issue has been characterized by numerous factors that facilitated Defendants’ conspiracy, including: (i) industry concentration; (ii) sufficient numbers to drive competition; (iii) substantial barriers to entry; (iv) demand inelasticity; (v) lack of substitutes; (vi) interchangeability; (vii) absence of non-conspiring competitors; (viii) opportunities for contact and an extremely high level of inter-firm communications; (ix) the magnitude of the price increases; and (x) the reimbursement of generic drugs.

1121. Since 2005, consolidation has reduced the number of competitors in the generic drug industry, which has rendered the market ripe for collusion.

1122. Barriers to entry increase a market's susceptibility to a coordinated effort to maintain supracompetitive prices because it is difficult for new suppliers to enter the market and destabilize coordinated supracompetitive prices. Costs of manufacture, intellectual property, and expenses related to regulatory oversight create substantial barriers to entry in the generic pharmaceutical industry.

1123. Each of the drugs at issue is medically appropriate to the health and well-being of the patient for whom it is prescribed. For that reason, each demonstrates substantial demand inelasticity. Indeed, notwithstanding the substantial price increases alleged in this Complaint, demand for these drugs dropped very little following the increases in prices.

1124. Because a generic drug must be the therapeutic equivalent of its branded counterpart, each generic drug that is approved for sale in the United States is interchangeable with each other generic drug of the same dosage strength. Accordingly, each of the generic drugs at issue is highly interchangeable from Defendant to Defendant. In the absence of collusion, Defendants would compete on price to gain market share.

1125. The Defendants control the markets for each of the generic drugs at issue, which enables them to increase prices without losing market share to non-conspirators.

1126. As alleged above, there was an extraordinary level of interfirm communications within the generic pharmaceutical industry, and numerous opportunities for such communications through various trade association and similar meetings. The magnitude of the price increases involved in this case further differentiates them from parallel price increases.

VI. DEFENDANTS' SCHEME WAS EFFECTIVE AND IS ONGOING.

1127. As a proximate result of their conspiracies, and during the relevant time period, Defendants and their co-conspirators were able to and did maintain supracompetitive prices (*i.e.*, prices above a competitive level) throughout the United States for each of the drugs identified in this Complaint. As a further proximate result, UHS and Pharmacy Assignors have been overcharged and continue to incur overcharges for these drugs.

1128. Each Defendant knew that UHS, Pharmacy Assignors, and other purchasers and/or payors would not be able to obtain a competitive price for each drug. Defendants also knew that any new entrants to the market would also follow the conspiracy pricing (or even seek to increase it further) based on the overarching conspiracy's market allocation and price-fixing agreement.

1129. As alleged in this Complaint, Defendants and co-conspirators agreed on the timing and amount of price increases. They were successful in achieving these price increases, which enabled them to impose supracompetitive prices on the market. This was because Defendants knew that all of them were increasing prices (or offering the same or similar prices) of each drug; and the resulting prices were higher than would have occurred if, in the absence of the conspiracy, each Defendant had competed and independently and unilaterally set its own prices for each drug. Defendants' coordinated price increases also provided them with a higher, unified starting point in negotiating sales prices to their large direct purchaser customers than would have resulted if each Defendant had independently and unilaterally set its own price increases for each drug.

1130. The conspiracies alleged in this Complaint remain in either force or effect (or both) as of the date of this Complaint, and prices at each level of distribution and/or payment (including as paid by UHS and Pharmacy Assignors) continue to remain at supracompetitive levels for each drug at issue as a result of Defendants' conduct.

VII. DISCOVERY WILL ESTABLISH THE FULL SCOPE OF THE CONSPIRACIES

1131. For Defendants' overarching conspiracy as well as each of the individual drug conspiracies, discovery is necessary to determine the full scope of the unlawful agreements, including the exact time frame, products, and participants. Plaintiff reserves the right to amend or supplement this Complaint to add other Defendants, claims, time period, products, or other allegations based upon discovery and further investigation.

VIII. MARKET EFFECTS AND ANTITRUST INJURY

1132. Defendants' conduct has directly and proximately caused the following effects, among others:

a. Price competition has been unreasonably restrained or eliminated with respect to each of the generic drugs at issue and;

b. The prices of each of the generic drugs at issue have been fixed, raised, maintained, or stabilized at artificially inflated levels, including as paid by UHS and Pharmacy Assignors in that, but for Defendants' anticompetitive conduct, lower prices would have been paid for each of the drugs at issue.

1133. By unreasonably and illegally restraining competition for the generic pharmaceutical drugs identified herein, Defendants have deprived UHS and its Pharmacy

Assignors of the benefits of competition that the federal and state antitrust laws, consumer protection laws and/or unfair competition statutes and related state laws are designed to promote, preserve and protect.

1134. During the period alleged in this Complaint, Defendants charged supra-competitive prices for the generic drugs at issue. By reason of Defendants' violations of the laws alleged herein, UHS and Pharmacy Assignors have sustained injury, having paid substantially higher prices for each of the generic drugs at issue than they would have paid absent Defendants' alleged illegal contract or conspiracy, and, as a result, have suffered damages in an amount to be determined. This is an injury of the type the antitrust laws were meant to punish and prevent.

1135. As to overcharges paid by UHS, inflated prices of the generic drugs at issue resulting from Defendants' price-fixing conspiracy have been passed on to UHS, who paid such overcharges. General economic principles recognize that any overcharge at a higher level of distribution generally results in higher prices at every level below. Moreover, the institutional structure of pricing and regulation in the pharmaceutical drug industry assures that overcharges at the higher level of distribution are passed on to end payors such as UHS. The impairment of generic competition at the direct purchaser level similarly injured UHS, who was equally denied the opportunity to pay less for the Drugs at issue.

1136. UHS and Pharmacy Assignors have been injured in their business or property by reason of the Defendants' unlawful conduct in amounts not yet ascertained.

1137. The impact of Defendants' conduct on the prices of the generic drugs at issue is measurable and quantifiable. Commonly used and well-accepted economic models can be used to measure both the existence and the amount of the supra-competitive charge paid by UHS and its Pharmacy Assignors. Thus, the economic harm alleged can be quantified.

1138. Defendants' anticompetitive conduct and/or its effects are ongoing, and, as a result, United continues to pay supra-competitive prices for each of the generic drugs at issue. UHS therefore seeks injunctive relief as well as damages for all injuries proximately caused by the unlawful conduct.

IX. FRAUDULENT CONCEALMENT

1139. Defendants' affirmative and fraudulent concealment of their conspiracies prevented UHS and Pharmacy Assignors from having notice of their claims more than four years before filing this Complaint, and tolled the running of the statutes of limitations. UHS and Pharmacy Assignors had no knowledge of the combination or conspiracies alleged herein or of facts sufficient to place them on notice of the claims set forth against these Defendants. The above facts and information evidencing Defendants' violations of law and resulting harm as to the drugs at issue in this Complaint were not available in the public domain or to UHS and Pharmacy Assignors prior to the States' May 10, 2019 Complaint, which resulted from the States' confidential investigation.

1140. Defendants' conspiracies were self-concealing. Defendants also actively concealed, suppressed, and omitted material facts to UHS and Pharmacy Assignors concerning Defendants' unlawful activities to artificially inflate prices for generic drugs.

The concealed, suppressed, and omitted facts would have been important to UHS and Pharmacy Assignors as they related to the cost of generic drugs for which they paid.

1141. Each of the overt acts in furtherance of the conspiracies alleged in this Complaint was done for the purpose of concealing the conspiratorial conduct and preventing UHS, Pharmacy Assignors, and other purchasers or payors of generic drugs from learning about the conspiracy's existence. As alleged with particularity above, Defendants concealed, misrepresented and/or materially omitted that the generic drugs at issue were subject to their price-fixing and market allocation scheme, in which the prices for the drugs were artificially and unconscionably inflated, and not subject to unrestrained and lawful competition. Defendants misrepresented the real cause of price increases and/or the absence of price reductions in generic drugs. Defendants' conduct and statements concerning the prices of generic drugs were deceptive as they had the tendency or capacity to mislead UHS, Pharmacy Assignors, and others into believing that they were paying for the Drugs at issue at prices established by a free and fair market.

1142. Accordingly, UHS and its Pharmacy Assignors did not know or reasonably suspect the existence of their claims more than four years before filing this Complaint, nor were they aware of any facts more than four years before filing this Complaint that would have put them on reasonable notice of their claims. More than four years before the filing of this Complaint, Defendants and their co-conspirators fraudulently concealed the existence of each and every claim alleged in this Complaint so that UHS and Pharmacy Assignors, acting reasonably and diligently, did not know of the existence of the claims at the time.

1143. During the relevant time period, including the time period more than four years before the filing of this Complaint, Defendants and their co-conspirators concealed the existence of the alleged claims from UHS and Pharmacy Assignors as a result of the self-concealing nature of the conspiracy; and/or because Defendants and their co-conspirators engaged in affirmative and deceptive acts of concealment as described with particularity above. As a result, UHS and Pharmacy Assignors did not know, and through the exercise of due diligence (which they exercised) could not have known, about the existence of their antitrust claims more than four years before filing this Complaint.

1144. Notwithstanding the self-concealing nature of their conspiracy, and as alleged in detail above, Defendants repeatedly took numerous affirmative and overt steps to conceal their illegal conduct from UHS, Pharmacy Assignors, and others. For example:

a. Defendants and co-conspirators spoke and met in secret to affirmatively conceal the existence of the conspiracy. For each of the numerous meetings between Defendants alleged in this Complaint, Defendants took steps to either conceal the existence of the meeting, or to create a pretextual explanation for why the meeting occurred.

b. Defendants made false and pretextual statements about their prices and the bids they provided in response to requests for competitive bids (including but not limited to the use of “cover bids”).

c. Defendants took steps to ensure that communications in furtherance of the conspiracy were not recorded in writing or otherwise discoverable.

d. Defendants destroyed evidence of their collusion.

e. Defendants discussed and coordinated the timing of their price increase announcements for the purpose of making each price increase seem like it was each Defendant's independent decision to raise prices even though, in reality, it was not.

f. Defendants further stated throughout the relevant period, including on their public internet websites, that they do not engage in the type of collusion alleged in this Complaint but instead maintain antitrust/fair competition policies that prohibit the unlawful conduct alleged in this Complaint. For example:

- Apotex's Code of Conduct directs employees: "Do not communicate with competitors about competitive business matters such as prices, costs discounts, customer suppliers, marketing plans, production capacities or any terms of conditions of sale that could create the appearance of improper agreements or understandings. Do not make agreements or reach understandings with competitors regarding allocation of customers, territories or market share. Do not conspire with other bidders when competing for contracts."
- Dr. Reddy's' Code of Conduct provides: "We believe in free and open competition and never engage in improper practices that may hamper fair competition. We never look to gain competitive advantages through unethical or unlawful business practices. . . . [W]e must never enter into agreements with competitors to engage in

any anti-competitive behavior, including colluding or cartelization, fixing prices, dividing up customers, suppliers or markets.”

- Glenmark’s Code of Conduct states: “We must engage in fair competition and must ensure that our business dealings comply with all applicable local antitrust and competition laws, such as monopoly, unfair trade, or price discrimination laws. We must not make agreements or engage in concerted actions with a competitor with the intent of improperly dividing markets by allocating territories, customers, goods, or services, or price-fixing or collusion.”
- Mylan’s Code of Conduct and Business Ethics states: “Mylan is committed to complying with applicable antitrust and fair competition laws.”
- Par’s Code of Conduct provides: “It is Company policy to comply with the antitrust and competition laws of each country in which the Company does business.”
- Taro’s Code of Conduct provides: “We do not discuss any of the following topics with our competitors: prices or price-fixing, customer or market allocation, bids or bid-rigging, any topic that seems to be about restricting competition. If a competitor attempts to engage you in a discussion on any of these topics, make it clear that you do not wish to participate. Leave the conversation immediately, and report the matter to Corporate Compliance.”

- Teva's Code of Conduct provides: "We believe that customers and society as a whole benefit from fair, free and open markets.

Therefore, we compete on the merits of our products and services and conduct business with integrity. We recognize that the potential harm to Teva's reputation and the penalties for breaching competition laws are severe, and can subject Teva, members of the Board of Directors and employees to severe civil fines and criminal penalties."

1145. Defendants and their co-conspirators' affirmative acts of concealment were intended by them to conceal the existence of their unlawful actions from UHS, Pharmacy Assignors, and others; and UHS and Pharmacy Assignors were unaware, and had no reasonable basis to be aware, of Defendants and their co-conspirators' acts of concealment. Defendants' misrepresentations, including regarding their price changes and purported competition, were intended to lull UHS, Pharmacy Assignors, and others into accepting the price hikes as a normal result of competitive and economic market trends rather than the consequences of Defendants' collusive acts. Defendants' conduct and statements were designed to mislead UHS, Pharmacy Assignors, and others into paying unjustifiably higher prices for Drugs at issue.

1146. As a direct result of Defendants and their co-conspirators' affirmative and fraudulent acts of concealment alleged above, UHS and Pharmacy Assignors did not have actual or constructive knowledge of their claims, or the facts that might reasonably have led them (or a reasonable person or plaintiff in in their position) to discover or suspect

that they had the claims against Defendants and their co-conspirators alleged in this Complaint, more than four years before the filing of this Complaint.

1147. Accordingly, Defendants and their co-conspirators' fraudulent concealment of their unlawful conduct tolled the statute of limitations for each of the claims alleged in this Complaint, and the claims alleged in this Complaint have been brought within the applicable statutes of limitations period.

X. TRADE AND COMMERCE

1148. At all times relevant to this Complaint, the activities of the Defendants in manufacturing, selling and distributing generic pharmaceutical drugs, including but not limited to those identified herein, among others, were in the regular, continuous and substantial flow of interstate trade and commerce and have had and continue to have a substantial effect upon interstate commerce. The Defendants' activities also had and continue to have a substantial effect upon the trade and commerce within each state, territory, and district of the United States.

XI. LEGAL CLAIMS FOR RELIEF AND CAUSES OF ACTION

FIRST CLAIM FOR RELIEF

Violation of Federal Antitrust Law (Damages, Pharmacy Assignor Direct Purchases; Injunctive Relief)

1149. Plaintiff incorporates and re-alleges every preceding allegation as if fully set forth herein.

1150. As set forth above, each of the Defendants has engaged and participated in one or more contracts, combinations, and/or conspiracies to artificially inflate prices for generic drugs sold throughout the United States.

1151. Each Defendant's conduct violated, and continues to violate, Section 1 of the Sherman Act, 15 U.S.C. § 1, as well as Section 3, 15 U.S.C. § 3, as an unreasonable restraint of trade. Defendants' conduct is per se unlawful under antitrust law.

1152. Each of the Defendants has committed at least one overt act in furtherance of one or more of the conspiracies alleged in this Complaint.

1153. The acts done by each of the Defendants as part of, and in furtherance of, their contracts, combinations, and/or conspiracies were authorized, ordered, or done by Defendants' officers, agents, employees, or representatives while actively engaged in the management of Defendants' affairs.

1154. The anticompetitive acts by Defendants and their co-conspirators had, and continues to have, a substantial and foreseeable effect on interstate commerce by artificially raising and fixing prices for the generic drugs at issue throughout the United States.

1155. As a proximate result of Defendants' unlawful conduct, UHS and Pharmacy Assignors have been harmed by being forced to pay artificially inflated, supra-competitive prices for generic drugs in the United States.

1156. UHS and Pharmacy Assignors have been injured and will continue to be injured in their business and property by paying more for the generic drugs at issue than in the absence of Defendants' unlawful conduct.

1157. UHS, by virtue of its assignments from Pharmacy Assignors, seeks and is entitled to treble damages under Section 4 of the Clayton Act, 15 U.S.C. § 15, for all overcharges proximately caused by the antitrust violation(s) alleged above. Such damages have been suffered in an amount to be proven at trial.

1158. UHS is separately and further entitled, under Section 16 of the Clayton Act, 15 U.S.C. § 26, to an injunction against Defendants, restraining and preventing the violations alleged in this Complaint, as well as attorneys' fees and costs, and all other forms of relief available under federal law.

SECOND CLAIM FOR RELIEF

Violation of Minnesota Antitrust Law (Damages, All UHS Payments)

1159. Plaintiff incorporates and re-alleges every preceding allegation as if fully set forth herein.

1160. As set forth above, each of the Defendants has engaged and participated in one or more contracts, combinations, and/or conspiracies to artificially inflate prices for generic drugs throughout the United States, including as paid in Minnesota.

1161. Each Defendant's conduct violated, and continues to violate, Minnesota Antitrust Law, Minn. Stat. §§ 325D.49, et seq., as an unreasonable restraint of trade. Defendants' conduct is per se unlawful under the Minnesota Antitrust Law.

1162. A substantial number of significant events including meetings and other acts establishing and furthering the Defendants' unlawful agreements took place and were performed in the State of Minnesota. Numerous such events and acts were further

organized and participated in by Defendants' employees and representatives who reside in the State of Minnesota, and numerous communications central to and effectuating and/or furthering the conspiracies alleged in this Complaint were sent from and/or received in Minnesota.

1163. In addition, at all relevant times, UHS, a Minnesota corporation headquartered in Minnesota, was contractually responsible for the payments for the generic drugs at issue dispensed to UnitedHealthcare Insureds. UHS entered agreements with PBMs, pursuant to which UHS was, and is, responsible for paying PBMs for pharmaceutical drugs, including the generic drugs at issue prescribed and dispensed to UnitedHealthcare Insureds throughout the United States. UHS entered these contracts, received invoices, and ensured and administered payment pursuant thereto in amounts totaling several billion dollars for the generic drugs at issue at its headquarters in Hennepin County, Minnesota. Employees involved with making, processing, and managing payments to the PBMs for UnitedHealthcare Insured's claims for the generic drugs at issue work and reside in Minnesota. Likewise, employees with knowledge of UHS's agreements and payment relationships work and reside in Minnesota.

1164. The distribution scheme employed by Defendants involves contracting with distributors and/or retailers. Through their relationship with the distributors and/or retailers who sold the generic drugs at issue, Defendants were able to ensure sales of the generic drugs at issue to UnitedHealthcare Insureds nationwide, paid for by UHS.

1165. During the relevant period, through either Defendants themselves or the regional and national distributors and retailers that Defendants have engaged for the sale

of the generic drugs at issue, many millions of dollars' worth of the generic drugs at issue have been, and continue to be, sold and/or paid for in Minnesota each year.

1166. The anticompetitive acts by Defendants and their co-conspirators had, and continue to have, a substantial and foreseeable effect on Minnesota commerce by artificially raising and fixing prices for the generic drugs at issue, as were paid in, and/or out from, Minnesota, and otherwise injuring corporations and persons located in Minnesota.

1167. Defendants' unlawful activities, as described in this Complaint, affected both intrastate commerce in Minnesota and interstate commerce flowing in to or out from Minnesota, and had direct, substantial and reasonably foreseeable effects upon trade and commerce in Minnesota.

1168. As a proximate result of Defendants' violation of Minnesota Antitrust Law, UHS has been harmed by being forced to pay artificially inflated, supra-competitive prices for generic drugs dispensed to insureds throughout the United States, and UHS has suffered damages in an amount to be proven at trial.

1169. UHS has been injured and will continue to be injured in its business and property by paying more for the generic drugs at issue than in the absence of Defendants' unlawful conduct in violation of Minnesota Antitrust Law.

1170. In light of the foregoing, and other facts to be learned and developed through discovery and/or proved at trial, Plaintiff seeks treble damages under Minnesota law for all overcharges incurred and paid by UHS as a result of Defendants' conduct, as

well as attorneys' fees and costs, and all other forms of relief available under Minn. Stat. § 325D.49, *et seq.*

THIRD CLAIM FOR RELIEF

Violation of Various State Antitrust and Consumer Protection Statutes (Damages/Monetary Relief for UHS Payments, In the Alternative)

1171. Plaintiff incorporates and re-alleges the allegations in ¶¶ 1 through 1158.

1172. This claim for relief is pleaded in the alternative to the Second Claim for Relief, in the event that the Court disagrees that UHS's statutory claims for damages and/or monetary relief for all payments made for drugs dispensed to UnitedHealthcare Insureds are governed by Minnesota law.

1173. By engaging in the conduct alleged above, each of the Defendants has entered into one or more contracts, combinations, or conspiracies in restraint of trade violating the antitrust and competition statutes of each the following States and territories:

- (a) **Alabama:** Ala. Code §§ 6-5-60, *et seq.*; §§ 8-10-1, *et seq.*
- (b) **Arizona:** Ariz. Rev. Stat. Ann. §§ 44-1401, *et seq.*
- (c) **California:** Cal. Bus. Code §§ 16700, *et seq.*
- (d) **Connecticut:** Conn. Gen. Stat. Ann. § 35-24, *et seq.*
- (e) **District of Columbia:** D.C. Code Ann. §§ 28-4501, *et seq.*
- (f) **Hawaii:** Haw. Rev. Stat. §§ 480-1, *et seq.*
- (g) **Illinois:** 740 Ill. Comp. Stat. 10/1, *et seq.*
- (h) **Iowa:** Iowa Code §§ 553.1, *et seq.*

- (i) **Kansas:** Kan. Stat. Ann. §§ 50-101, *et seq.*
- (j) **Maine:** Me. Rev. Stat. Ann. 10, §§ 1101, *et seq.*
- (k) **Maryland:** Md. Code, Com. Law § 11-204, *et seq.*
- (l) **Michigan:** Mich. Comp. Laws Ann. §§ 445.771, *et seq.*
- (m) **Minnesota:** Minn. Stat. §§ 325D.49, *et seq.*
- (n) **Mississippi:** Miss. Code Ann. §§ 75-21-1, *et seq.*
- (o) **Nebraska:** Neb. Code Ann. §§ 59-801, *et seq.*
- (p) **Nevada:** Nev. Rev. Stat. Ann. §§ 598A.010, *et seq.*
- (q) **New Hampshire:** N.H. Rev. Stat. §§ 356:1, *et seq.*
- (r) **New Mexico:** N.M. Stat. Ann. §§ 57-1-1, *et seq.*
- (s) **New York:** New York Gen. Bus. Law §§ 340, *et seq.*
- (t) **North Carolina:** N.C. Gen. Stat. §§ 75-1, *et seq.*
- (u) **North Dakota:** N.D. Century Code §§51-08.1-01, *et seq.*
- (v) **Oregon:** Or. Rev. Stat. §§ 646.705, *et seq.*
- (w) **Puerto Rico:** 10 L.P.R.A. §§ 257, *et seq.*
- (x) **Rhode Island:** R.I. Gen. Laws §§ 6-36-1, *et seq.*
- (y) **South Dakota:** S.D. Codified Laws §§ 37-1-3.1, *et seq.*
- (z) **Tennessee:** Tenn. Code Ann. §§ 47-25-101, *et seq.*
- (aa) **Utah:** Utah Code §§ 76-10-3101, *et seq.*
- (bb) **Vermont:** Vt. Stat. Ann. 9, §§ 2453, *et seq.*
- (cc) **West Virginia:** W. Va. Code §§ 47-18-1, *et seq.*
- (dd) **Wisconsin:** Wis. Stat. §§ 133.03, *et seq.*

1174. The conduct of each of the Defendants further constitutes unfair competition or unfair, unlawful, unconscionable, deceptive, and/or fraudulent acts or practices in violation of the consumer protection statutes of each the following States and territories:

- (a) **Alaska:** Alaska Stat. § 45.50.471, *et seq.*
- (b) **Arkansas:** Ark. Code §§ 4-88-101, *et seq.*
- (c) **California:** Cal. Bus. & Prof. Code §§ 17200, *et seq.*
- (d) **Colorado:** Colo. Rev. Stat. § 6-1-101, *et seq.*
- (e) **Delaware:** 6 Del. Code § 2511, *et seq.*
- (f) **District of Columbia:** D.C. Code §§ 28-3901, *et seq.*
- (g) **Florida:** Fla. Stat. §§ 501.201, *et seq.*
- (h) **Georgia:** Ga. Code Ann. § 10-1-370, *et seq.*; § 10-1-390, *et seq.*
- (i) **Hawaii:** Haw. Rev. Stat. § 480-1, *et seq.*
- (j) **Massachusetts:** Mass. Gen. Laws, Ch. 93A, §§ 1, *et seq.*
- (k) **Michigan:** Mich. Compiled Laws § 445.903, *et seq.*
- (l) **Minnesota:** Minn. Stat. § 325D.43, *et seq.*
- (m) **Missouri:** Mo. Rev. Stat. § 407.010, *et seq.*
- (n) **Montana:** Mont. Code, § 30-14-103, *et seq.*; § 30-14-201, *et seq.*
- (o) **Nebraska:** Neb. Code Ann. §§ 59-1601, *et seq.*
- (p) **Nevada:** Nev. Rev. Stat. § 598.0903, *et seq.*
- (q) **New Hampshire:** N.H. Rev. Stat. §§ 358-A, *et seq.*
- (r) **New Jersey:** N.J. Stat. § 56:8-1, *et seq.*

- (s) **New Mexico:** N.M. Stat. Ann. §§ 57-12-1, *et seq.*
- (t) **New York:** New York Gen. Bus. Law §§ 349, *et seq.*
- (u) **North Carolina:** N.C. Gen. Stat. §§ 75-1.1, *et seq.*
- (v) **North Dakota:** N.D. Century Code § 51-15-01, *et seq.*
- (w) **Rhode Island:** R.I. Gen. Laws § 6-13.1-1, *et seq.*
- (x) **South Carolina:** S.C. Code Ann. § 39-5-10, *et seq.*
- (y) **South Dakota:** S.D. Codified Laws §§ 37-24-1, *et seq.*
- (z) **Utah:** Utah Code §§ 13-5-1, *et seq.*
- (aa) **Vermont:** Vt. Stat. Ann. 9, §§ 2451, *et seq.*
- (bb) **Virginia:** Va. Code Ann. § 59.1-196, *et seq.*
- (cc) **West Virginia:** W. Va. Code §§ 46A-6-101, *et seq.*
- (dd) **Wisconsin:** Wis. Stat. §§ 100.18, *et seq.*

1175. The unlawful acts by Defendants and their co-conspirators had, and continue to have, a substantial and foreseeable effect on the commerce of each above State and territory by artificially raising and fixing prices for the generic drugs at issue as sold, paid for, and/or dispensed in each State or territory.

1176. Defendants' unlawful activities, as described in this Complaint, affected both intrastate commerce and interstate commerce flowing in to or out from each of the above States and territories, and had direct, substantial and reasonably foreseeable effects upon trade and commerce in each respective State or territory.

1177. During the relevant period, through either Defendants themselves or the regional and national distributors and retailers that Defendants have engaged for the sale

of the generic drugs at issue, many millions of dollars' worth of the drugs have been, and continue to be, sold in each of the above States and territories every year.

1178. As a direct and proximate result of Defendants' violation of each of the foregoing laws, UHS has been harmed by being forced to pay artificially inflated, supra-competitive prices for generic drugs dispensed to insureds throughout the United States, and UHS has suffered damages in an amount to be proven at trial.

1179. There was and is a gross and unconscionable disparity between the price that UHS paid and continues to pay for the generic drugs at issue, and the value received, given that more cheaply priced generic drugs should have been available, and would have been available, absent Defendants' illegal conduct.

1180. UHS has been injured and will continue to be injured in its business and property by paying more for the generic drugs at issue than in the absence of Defendants' unlawful conduct and violation of the foregoing laws.

1181. Defendants' conduct in violation of each of the foregoing laws was done knowingly, willfully, and flagrantly.

1182. In light of the foregoing, and other facts to be learned and developed through discovery and/or proved at trial, Plaintiff seeks damages, trebled or multiplied to the full extent permitted by each of the foregoing States and territories, for all overcharges incurred and paid by UHS as a result of Defendants' conduct, restitution, as well as attorneys' fees and costs, and all other forms of relief available.

FOURTH CLAIM FOR RELIEF

**Unjust Enrichment
(UHS and Pharmacy Assignor Payments)**

1183. Plaintiff incorporates by reference the allegations in ¶¶ 1 through 1148.

1184. To the extent required, this claim is pleaded in the alternative to the other claims and/or causes of action in this Complaint.

1185. Defendants have unlawfully benefited from their sales because of the unlawful and inequitable acts alleged in this Complaint. Defendants unlawfully overcharged UHS and Pharmacy Assignors, who paid for generic drugs at prices that were more than they would have been but for Defendants' unlawful actions.

1186. Defendants' financial benefits resulting from their unlawful and inequitable acts are traceable to overpayments by UHS and Pharmacy Assignors.

1187. To their economic detriment, UHS and Pharmacy Assignors have conferred upon Defendants an economic benefit, in the nature of profits resulting from unlawful overcharges.

1188. Defendants have been enriched by revenue resulting from unlawful overcharges for the generic drugs at issue while UHS and Pharmacy Assignors have suffered an impoverishment by the overcharges they paid, imposed through Defendants' unlawful conduct. Defendants' enrichment and the impoverishment to UHS and Pharmacy Assignors are connected.

1189. There is no justification for Defendants' retention of, and enrichment from, the benefits they received, which caused an impoverishment to UHS and Pharmacy

Assignors, having paid supracompetitive prices that inured to Defendants' benefit, and it would be inequitable for Defendants to retain any revenue gained from their unlawful overcharges.

1190. UHS and Pharmacy Assignors did not interfere with Defendants' affairs in any manner that conferred these benefits upon Defendants.

1191. The benefits conferred upon Defendants were not gratuitous, in that they constituted revenue created by unlawful overcharges arising from Defendants' illegal and unfair actions to inflate the prices of generic drugs.

1192. The benefits conferred upon Defendants are measurable, in that the revenues Defendants have earned due to their unlawful overcharges of the generic drugs at issue are ascertainable by review of sales and/or payment records.

1193. As to payments by UHS, it would be futile for UHS to seek a remedy from any party with whom they have privity of contract. Defendants have paid no consideration to any other person for any of the unlawful benefits they received indirectly from UHS with respect to Defendants' sales of the generic drugs at issue.

1194. As to payments by UHS, it would be futile for UHS to seek to exhaust any remedy against the immediate intermediary in the chain of distribution from which they indirectly purchased or paid for the drugs at issue, as the intermediaries are not liable and cannot reasonably be expected to compensate UHS for Defendants' unlawful conduct.

1195. The economic benefit of overcharges and monopoly profits derived by Defendants through charging supracompetitive and artificially inflated prices for generic drugs is a direct and proximate result of Defendants' unlawful practices.

1196. The financial benefits derived by Defendants rightfully belong to UHS, because UHS and its Pharmacy Assignors paid supracompetitive prices during the relevant period, inuring to the benefit of Defendants.

1197. It would be inequitable under unjust enrichment principles of Minnesota, or alternatively, all States and territories in the United States except Ohio and Indiana, for Defendants to be permitted to retain any of the overcharges derived from Defendants' unlawful, unfair and unconscionable methods, acts, and trade practices alleged in this Complaint.

1198. Defendants are aware of and appreciate the benefits bestowed upon them by UHS and its Pharmacy Assignors. Defendants consciously accepted the benefits and continue to do so as of the date of this filing.

1199. Defendants should be compelled to disgorge in a common fund for the benefit of UHS all unlawful or inequitable proceeds they received from their sales of the generic drugs at issue.

1200. A constructive trust should be imposed upon all unlawful or inequitable sums received by Defendants traceable to the payments made by UHS and Pharmacy Assignors for the generic drugs at issue.

1201. UHS has no adequate remedy at law.

1202. By engaging in the foregoing unlawful or inequitable conduct depriving UHS of lower prices for generic drugs and forcing them to pay higher prices, Defendants have been unjustly enriched in violation of the common law of Minnesota, or alternatively, all States and territories in the United States except Ohio and Indiana.

XII. PRAYER FOR RELIEF

A. A jury verdict in the amount of all compensatory damages sustained as a result of Defendants' conduct.

B. A judgment against Defendants, jointly and severally, by the Court, in treble the amount of the jury verdict, and for attorneys' fees, costs, and interest.

C. A permanent injunction pursuant to Section 16 of the Clayton Act, 15 U.S.C. § 26, enjoining Defendants from future violations of the antitrust laws and from practices which facilitate those violations.

D. Restitution and disgorgement.

E. Such other and further relief as the Court may deem just and proper.

JURY DEMAND

Plaintiff demands a trial by jury of all issues so triable.

Dated: October 11, 2019

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