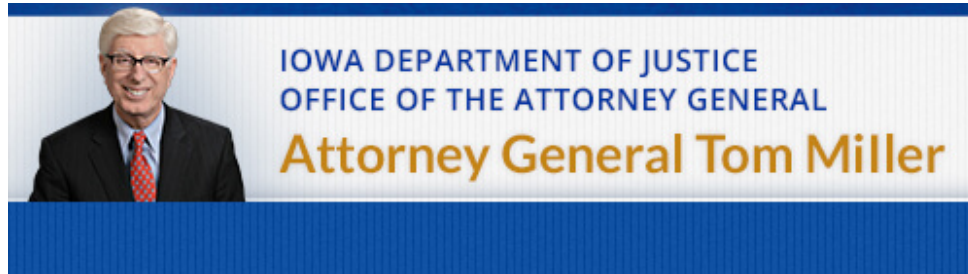


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## Attorneys General Seek to Expand Federal Generic Drug Antitrust Lawsuit

States, including Iowa, allege broad, industry-wide understanding among numerous drug manufacturers to restrain competition and raise prices on 15 generic drugs; senior executives named

DES MOINES – Attorneys general involved in a multistate antitrust lawsuit previously filed against six generic drug manufacturers are asking a federal judge to allow them to triple the number of manufacturers named as defendants and substantially expand the drugs at issue in the states' current lawsuit filed against generic drugmakers.

The 45 states, plus the District of Columbia and Puerto Rico, also added the names of senior executives at two generic drug companies whom they allege engaged in illegal conduct.

In the [expanded complaint](#), the states allege a number of illegal agreements among the defendants to fix prices and allocate customers for a number of generic drugs. The expanded lawsuit also alleges that these conspiracies were part of a much broader, overarching industry code of conduct that enabled the named manufacturers to divvy up the market for specific generic drugs in accordance with an established, agreed-upon understanding for assigning each competitor their share of the market.

Previously, the states filed the lawsuit against generic drug manufacturers Heritage Pharmaceuticals Inc., Aurobindo Pharma USA Inc., Citron Pharma LLC, Mayne Pharma (USA) Inc.; Mylan Pharmaceuticals Inc.; and Teva Pharmaceuticals USA Inc.

The lawsuit alleges the companies entered into illegal conspiracies in order to unreasonably restrain trade, artificially inflate and manipulate prices and reduce U.S. competition for two drugs: doxycycline hyclate delayed release, an antibiotic, and glyburide, an oral diabetes medication.

The states are seeking to expand the complaint to include Actavis Holdco U.S. Inc.; Actavis Pharma Inc.; Ascend Laboratories LLC; Apotex Corp.; Dr. Reddy's Laboratories Inc.; Emcure Pharmaceuticals Ltd.; Glenmark Pharmaceuticals Inc.; Lannett Company Inc.; Par Pharmaceutical Companies Inc.; Sandoz Inc.; Sun Pharmaceutical Industries Inc., and Zydus Pharmaceuticuals (USA) Inc.

The expanded complaint also names two individual defendants: Rajiv Malik, president and executive director of Mylan N.V., which is the parent company of Mylan Pharmaceuticals Inc.; and Satish Mehta, the chief executive officer and managing director of Emcure Pharmaceuticals Ltd., which is the parent company of Heritage Pharmaceuticals Inc.

The expanded complaint also adds allegations that the companies entered into conspiracies involving the following additional generic drugs:

- Acetazolamide, used to treat glaucoma and epilepsy
- Doxycycline monohydrate, an antibiotic
- Fosinopril-hydrochlorothiazide, used to treat high blood pressure
- Glipizide-metformin, a diabetes medication
- Glyburide-metformin, a diabetes medication
- Leflunomide, used to treat rheumatoid arthritis
- Meprobamate, an anxiety medication
- Nimodipine, a calcium channel blocking agent used to reduce problems caused by a bleeding blood vessel in the brain
- Nystatin, an antifungal medication
- Paromomycin, an antibiotic used to treat certain parasite infections
- Theophylline, used to treat asthma and other lung problems
- Verapamil, used to treat hypertension
- Zoledronic acid, used to treat hypercalcemia

The lawsuit is currently pending as part of the multidistrict litigation in the U.S. District Court for the Eastern District of Pennsylvania. Portions of the expanded complaint are redacted in order to avoid compromising ongoing investigations.

In July 2014, the Connecticut Attorney General opened an antitrust investigation to determine the reasons behind suspicious price increases of certain generic drugs. The ongoing investigation, which has broadened to a multistate probe, has uncovered evidence of well-coordinated and long-running conspiracies to fix prices and allocate markets for certain generic drugs.

The states allege that the defendants routinely coordinated their schemes through direct interaction with their competitors at industry trade shows, customer conferences and other events, as well as through direct email, phone and text message communications.

The alleged anticompetitive conduct – including efforts to fix and maintain prices, allocate markets and otherwise thwart competition – has resulted in artificially increased prices for generic drugs reimbursed by federal and state healthcare programs, such as Medicaid, and raised the coverage costs for employer-sponsored health plans and out-of-pocket costs for consumers. The states

allege that the conduct caused significant, harmful and continuing effects in the country's healthcare system.

In 2015, generic drug sales in the United States were estimated at \$74.5 billion. Currently, the generic pharmaceutical industry accounts for approximately 88 percent of all prescriptions written in the United States.

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