



U.S. Department of Justice

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U.S. DEPARTMENT OF JUSTICE

*Carmen M. Ortiz*  
*United States Attorney*  
*District of Massachusetts*

2009 SEP 15 10 31 AM

Main Reception: (617) 748-3100

*John Joseph Moakley United States Courthouse*  
*1 Courthouse Way*  
*Suite 9200*  
*Boston, Massachusetts 02210*

September 15, 2010

Mary Jo White, Esq.  
Christopher K. Tahbaz, Esq.  
Andrew J. Ceresney, Esq.  
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Debevoise & Plimpton LLP  
919 Third Avenue  
New York, NY 10022

10-CR-10294-NG

Re: United States v. Forest Pharmaceuticals, Inc.

Dear Counsel:

This letter sets forth the Agreement between the United States Attorney for the District of Massachusetts ("the U.S. Attorney") and the United States Department of Justice (collectively, the "United States") and your client, Forest Pharmaceuticals, Inc. (hereinafter "Forest"), in the above-referenced case. The Agreement is as follows:

1. Change of Plea

At the earliest practicable date Forest shall waive indictment and plead guilty to the three-count Information attached hereto as Exhibit A. Count One of the Information charges that on or about November 17, 2003, Forest corruptly endeavored to influence, obstruct, and impede an agency proceeding in violation of 18 U.S.C. § 1505. Count Two charges that beginning as early as August 14, 2001, and continuing thereafter until on or about August 9, 2003, Forest introduced and caused to be introduced for delivery into interstate commerce various quantities of the unapproved new drug Levothroid in violation of 21 U.S.C. §§ 331(d), 333(a)(1) and 355(a). **Count Three charges that beginning as early as 1998 and continuing thereafter through in or about December 2002, Forest introduced and caused to be introduced for delivery into interstate commerce various quantities of a misbranded drug Celexa, in violation of 21 U.S.C. §§ 331(a), 333(a)(1) and 352(f)(1). Forest expressly and unequivocally admits that it committed these offenses and further admits that, with respect to Count One, it acted knowingly and corruptly. Defendant expressly and unequivocally**

further admits that it is in fact guilty of these offenses, and agrees that it will not make any statements inconsistent with this explicit admission. Forest agrees to waive venue, to waive any applicable statutes of limitations, and to waive any legal or procedural defects in the Information.

2. Penalties

Forest faces the following maximum penalties on each count of the Information:

a. Count One (18 U.S.C. § 1505)

- i. A maximum fine of \$500,000, twice the gross gain derived from the offense, or twice the gross loss to a person other than Forest, whichever is greatest. *See* 18 U.S.C. §§ 3571(c) and (d). In this case, the maximum fine is \$500,000;
- ii. A term of probation of not less than one (1) year and not more than five (5) years. *See* 18 U.S.C. § 3561(c)(1);
- iii. Restitution to any victims of the offense. *See* 18 U.S.C. §§ 3556, 3563, and 3663; and
- iv. A mandatory special assessment in the amount of \$400. *See* 18 U.S.C. § 3013(a)(2)(B).

b. Count Two (21 U.S.C. §§ 331(d), 333(a)(1), and 355(a)):

- i. A fine of \$200,000, or twice the gross gain derived from the offense or twice the gross loss to a person other than the defendant, whichever is greatest. *See* 18 U.S.C. §§ 3571(c)(5) and (d). Given Forest's gross gain from its sales of the unapproved new drug Levothroid between August 14, 2001, and August 9, 2003, totaled \$70,326,246, the maximum possible fine in connection with this count is \$140,652,492;
- ii. A term of probation of not more than five (5) years, *see* 18 U.S.C. § 3561(c)(2), one of the terms of which may include an order of restitution, *see* 18 U.S.C. § 3563; and
- iii. A mandatory special assessment of \$125. *See* 18 U.S.C. § 3013(a)(1)(B)(iii).

c. Count Three (21 U.S.C. §§ 331(a), 333(a)(1), and 352(f)):

- i. A fine of \$200,000, or twice the gross gain derived from the offense or twice the gross loss to a person other than the defendant, whichever is greatest. *See* 18 U.S.C. §§ 3571(c)(5) and (d). Given Forest's sales of the misbranded drug Celexa totaled approximately \$28,040,000, the maximum possible fine in connection with this count is \$56,080,000;
- ii. A term of probation of not more than five (5) years, *see* 18 U.S.C. § 3561(c)(2), one of the terms of which may include an order of restitution, *see* 18 U.S.C. § 3563; and
- iii. A mandatory special assessment of \$125. *See* 18 U.S.C. § 3013(a)(1)(B)(iii).

3. Sentencing Guidelines

The parties agree that while the fine provisions of the United States Sentencing Guidelines ("U.S.S.G.") do not apply to organizational defendants for obstruction of justice under 18 U.S.C. § 1505, or for misdemeanor violations of the Food, Drug, and Cosmetic Act, *see* U.S.S.G. § 8C2.1, the agreed-upon fine is consonant with those guidelines and takes into account Forest's conduct under 18 U.S.C. §§ 3553 and 3572, as follows:

a. Count One

- i. The parties agree that the base fine is \$85,000 which was determined as follows:
  - A. There was no pecuniary gain or loss associated with the offense, and base fine therefore is determined pursuant to U.S.S.G. § 8C2.4(a)(1);
  - B. Pursuant to U.S.S.G. § 8C2.3, the applicable Chapter Two guideline is U.S.S.G. § 2J1.2, which has a base offense level of 14;
  - C. No other adjustments contained in U.S.S.G. § 2J1.2 are applicable; and
  - D. Pursuant to U.S.S.G. § 8C2.4(d), the base fine associated with an offense level of 14 is \$85,000.

- ii. Taking into account the nature and circumstances of the offense, among other factors, the parties agree that, pursuant to U.S.S.G. § 8C2.5, the culpability score is five (5).
- iii. Pursuant to U.S.S.G. § 8C2.6, the appropriate multiplier range associated with a culpability score of five (5) is 1.00 to 2.00.
- iv. Thus, the Guideline Fine Range is \$85,000 to \$170,000. *See* U.S.S.G. §§ 8C2.7(a) and (b); 18 U.S.C. §§ 3571(c) and (d).

b. Count Two

- i. The parties agree that the base fine is \$70,326,246, which is the pecuniary gain to the organization from the offense. *See* U.S.S.G. §§ 8C2.4(a), 8C2.3.
- ii. Taking into account the nature and circumstances of the offense, among other factors, the parties agree that, pursuant to U.S.S.G. § 8C2.5, the culpability score is seven (7).
- iii. Pursuant to U.S.S.G. § 8C2.6, the appropriate multiplier range associated with a culpability score of seven (7) is 1.40 to 2.80.
- iv. Thus, the Guideline Fine Range is \$98,456,744.40 to \$196,913,488.80. *See* U.S.S.G. §§ 8C2.7(a) and (b); 18 U.S.C. §§ 3571(c) and (d).

c. Count Three

- i. The parties agree that the base fine is \$28,040,000, which is the pecuniary gain to Forest from the offense. *See* U.S.S.G. §§ 8C2.4(a), 8C2.3.
- ii. Taking into account the nature and circumstances of the offense, among other factors, the parties agree that, pursuant to U.S.S.G. § 8C2.5, the culpability score is seven (7).
- iii. Pursuant to U.S.S.G. § 8C2.6, the appropriate multiplier range associated with a culpability score of seven (7) is 1.40 to 2.80.
- iv. Thus, the Guideline Fine Range is \$39,256,000 to \$78,512,000. *See* U.S.S.G. §§ 8C2.7(a) and (b); 18 U.S.C. §§ 3571(c) and (d).

- d. The parties agree that (1) disgorgement pursuant to U.S.S.G. § 8C2.9 is not necessary, and (2) there is no basis for a downward departure or deviation under the United States Sentencing Guidelines.

4. Agreed Disposition

The United States and Forest agree pursuant to Fed. R. Crim. P. 11(c)(1)(C) that the appropriate disposition of this case is as follows, and will result in imposition of a reasonable sentence that is sufficient, but not greater than necessary, taking into consideration of all of the factors set forth in 18 U.S.C. §§ 3553(a) and 3572:

- a. A criminal fine of \$150,000,000 to be imposed as follows:

- i. Count One: \$ 500,000.
- ii. Count Two: \$110,000,000.
- iii. Count Three: \$ 39,500,000.

This criminal fine is to be paid within one week of the date of sentencing.

- b. Mandatory special assessments totaling \$650 pursuant to 18 U.S.C. § 3013, to be imposed as follows:

- i. Count One: \$400.
- ii. Count Two: \$125.
- iii. Count Three: \$125.

- c. Criminal Forfeiture in the amount of \$14,000,000.

- d. In light of the pending civil actions, *United States ex rel. Gobble, et al., v. Forest Laboratories, Inc., and Forest Pharmaceuticals, Inc.*, No. 03-10395-NMG (D. Mass.), *United States ex rel. Piacentile, et al., v. Forest Laboratories, Inc.*, No. 05-10201-NMG (D. Mass.), and *United States ex rel. Conrad v. Forest Laboratories, Inc., and Forest Pharmaceuticals, Inc., et al.*, No. 02-11738-NG (D. Mass.), and the Civil Settlement Agreement between Forest and the United States (which is being signed contemporaneously with this Plea Agreement, and is attached hereto as Exhibit B) which requires the payment of \$149,158,057.66, plus interest, the parties agree that the complication and prolongation of the sentencing process that would result from an attempt to fashion a restitution order outweighs the need to provide restitution to any non-federal victims in this case given the difficulty of

determining whether, and to what extent, any unknown individual or payor suffered any injury as a result of the offenses. *Cf.* 18 U.S.C. § 3663(a)(1)(B)(ii). Accordingly, the United States agrees that it will not seek a separate restitution order as to Forest as part of the resolution of the Information and the Parties agree that the appropriate disposition of this case does not include a restitution order.

The United States may, at its sole option, be released from its commitments under this Agreement, including, but not limited to, its agreement that this paragraph constitutes the appropriate disposition of this case, if at any time between Forest's execution of this Agreement and sentencing, Forest:

- a. Fails to admit a complete factual basis for the plea;
- b. Fails to truthfully admit its conduct in the offenses of conviction;
- c. Falsely denies, or frivolously contests, relevant conduct for which Forest is accountable under U.S.S.G. § 1B1.3;
- d. Gives false or misleading testimony in any proceeding relating to the criminal conduct charged in this case and any relevant conduct for which Forest is accountable under U.S.S.G. § 1B1.3;
- e. Engages in acts which form a basis for finding that Forest has obstructed or impeded the administration of justice under U.S.S.G. § 3C1.1; or
- f. Attempts to withdraw its guilty plea.

Forest expressly understands that it may not withdraw its plea of guilty unless the Court rejects this Agreement under Fed. R. Crim. P. 11(c)(5).

#### 5. No Further Prosecution of Forest

Pursuant to Fed. R. Crim. P. 11(c)(1)(A), the United States agrees that, other than the charges in the attached Information, it shall not further prosecute Forest for any additional federal criminal charges against Defendant with respect to the conduct that:

- a. falls within the scope of the Information to which Forest is pleading guilty; or
- b. was a subject of the grand jury investigation in the District of Massachusetts relating to Levothroid (as manufactured prior to August 14, 2003), or relating to the sale, promotion, or marketing of Celexa and Lexapro in the United States; or

- c. was known to the United States Attorney's Office for District of Massachusetts or the Office of Consumer Litigation of the Department of Justice prior to the date of this agreement, and which concerned the sale, promotion, manufacture, or marketing of Levothroid (as manufactured prior to August 14, 2003) in the United States, or which concerned the sale, promotion, or marketing of Celexa or Lexapro in the United States through December 31, 2005.

This declination is expressly contingent upon:

- a. the guilty pleas of Forest to the Information attached hereto as Exhibit A being accepted by the Court and not withdrawn or otherwise challenged; and
- b. Forest's performance of all of its material obligations as set forth in this Agreement and the attached Civil Settlement Agreement.

If Forest's guilty plea is not accepted by the Court or is withdrawn for any reason, or if Forest should fail to perform any material obligation under this Agreement or the Civil Settlement Agreement, this declination of prosecution shall be null and void.

The United States expressly reserves the right to prosecute any individual, including but not limited to present and former officers, directors, employees, and agents of Forest, in connection with the conduct encompassed by this plea agreement, within the scope of the grand jury investigation, or known to the United States.

6. Payment of Mandatory Special Assessment

Forest shall pay the mandatory special assessment to the Clerk of the Court on or before the date of sentencing.

7. Waiver of Right to Appeal and to Bring Other Challenge

- a. Forest has conferred with its attorney and understands that it has the right to challenge its convictions in the United States Court of Appeals for the First Circuit ("direct appeal"). Forest also understands that it may, in some circumstances, be able to challenge its convictions in a future proceeding (such as, for example, in a collateral challenge pursuant to 28 U.S.C. § 2255 or 28 U.S.C. § 2241). Forest waives any right it has to challenge its conviction on direct appeal or in any future proceeding.
- b. Forest has conferred with its attorney and understands that defendants ordinarily have a right to appeal their sentences and may sometimes challenge their sentences in future proceedings. Forest understands, however, that once

the Court accepts this Rule 11(c)(1)(C) plea agreement, the Court is bound by the parties' agreed-upon sentence. Forest may not contest the agreed-upon sentence in an appeal or challenge the sentence in a future proceeding in federal court. Similarly, the Court has no authority to modify an agreed-upon sentence under 18 U.S.C. § 3582(c), even if the Sentencing Guidelines are later modified in a way that appears favorable to Defendant. Given that a defendant who agrees to a specific sentence cannot later challenge it, and also because Forest desires to obtain the benefits of this Agreement, Forest agrees that it will not challenge the sentence imposed in an appeal or other future proceeding. Forest also agrees that it will not seek to challenge the sentence in an appeal or future proceeding even if the Court rejects one or more positions advocated by any party at sentencing.

- c. The United States agrees that it will not appeal the imposition by the Court of the sentence agreed to by the parties as set out in Paragraph 4, even if the Court rejects one or more positions advocated by a party at sentencing.

#### 8. Cooperation

Forest shall cooperate completely and truthfully in any trial or other proceeding arising out of any ongoing civil, criminal or administrative investigation of its current and former officers, agents, employees, and customers in connection with the matters described in the Information. Forest shall make reasonable efforts to facilitate access to, and to encourage the cooperation of, its current and former officers, agents, and employees for interviews sought by law enforcement agents, upon request and reasonable notice in connection with matters described in the Information. Forest shall also take reasonable measures to encourage its current and former officers, agents, and employees to testify truthfully and completely before any grand jury, and at any trial or other hearing, at which they are requested to do so by any government entity in connection with matters described in the Information.

In addition, Forest shall furnish to law enforcement agents, upon request, all documents and records in its possession, custody or control relating to the conduct that is within the scope of any ongoing federal investigation, trial or other criminal proceeding in connection with matters described in the Information, and that are not covered by the attorney-client privilege or work product doctrine.

Provided, however, notwithstanding any provision of this Agreement, that: (1) Forest is not required to request of its current or former officers, agents, or employees that they forego seeking the advice of an attorney nor that they act contrary to that advice; (2) Forest is not required to take any action against its officers, agents, or employees for following their attorney's advice; and (3) Forest is not required to waive any privilege or claim of work product protection.

Forest expressly and unequivocally further admits that it committed the offenses charged in the Information and is in fact guilty of those offenses. Forest agrees that it will not make any statements inconsistent with its explicit admission of guilt to these offenses. This agreement

concerning inconsistent statements is not intended to apply to any statement made by any individual in the course of any criminal, regulatory or civil matter against such individual, unless such individual is speaking on behalf of Forest.

9. Probation Department Not Bound By Agreement

The sentencing disposition agreed upon by the parties and their respective calculations under the Sentencing Guidelines are not binding upon the United States Probation Office.

10. Forfeiture

Forest will forfeit to the United States assets subject to forfeiture pursuant to 21 U.S.C. § 334 and 28 U.S.C. § 2461(c) as a result of its guilty plea.

Forest admits that the value of the quantities of Celexa which were misbranded and distributed in violation of 21 U.S.C. § 331, plus the value of the quantities of the unapproved new drug Levothroid which were distributed in violation of 21 U.S.C. § 331 totaled at least \$14,000,000 in United States currency. Forest acknowledges and agrees that the quantities of Celexa which were misbranded and distributed in violation of 21 U.S.C. § 331 and the quantities of the unapproved new drug Levothroid which were distributed in violation of 21 U.S.C. § 331 cannot be located upon exercise of due diligence, or have been transferred or sold to, or deposited with, a third party, placed beyond the jurisdiction of the Court, substantially diminished in value, or commingled with other property which cannot be divided without difficulty. Accordingly, Forest agrees that the United States is entitled to forfeit as "substitute assets" any other assets of Forest up to the value of the now missing directly forfeitable assets.

Forest agrees that, no later than one week after sentencing, it shall remit the amount of \$14,000,000 in United States currency to the United States Marshals Service pursuant to wire instructions provided by the United States Attorney's Office. Forest and the United States agree that this payment shall satisfy any and all forfeiture obligations that Forest may have as a result of its guilty plea.

Forfeiture of substitute assets shall not be deemed an alteration of Forest's sentence. The forfeitures set forth herein shall not satisfy or offset any fine, restitution, cost of imprisonment, or other penalty imposed upon Forest, nor shall the forfeiture be used to offset Forest's tax liability or any other debt owed to the United States.

Forest agrees to consent to the entry of orders of forfeiture for the \$14,000,000 in United States currency, and waives the requirements of Federal Rules of Criminal Procedure 32.2 and 43(a) regarding the notice of the forfeiture in the charging instrument, entry of a preliminary order of forfeiture, announcement of the forfeiture at sentencing, and incorporation of the forfeiture in the judgment. Forest acknowledges that it understands that the forfeiture of assets is part of the sentence that may be imposed in this case and waives any failure by the court to advise it of this, pursuant to Rule 11(b)(1)(J), at the time the guilty plea is accepted.

In addition to all other waivers or releases set forth in this Agreement, Forest hereby waives any and all claims arising from or relating to the forfeitures set forth in this section, including, without limitation, any claims arising under the Double Jeopardy Clause of the Fifth Amendment, or the Excessive Fines Clause of the Eighth Amendment, to the United States Constitution, or any other provision of state or federal law.

The United States District Court for the District of Massachusetts shall retain jurisdiction to enforce the provisions of this section.

11. Fed. R. Crim. P. 11(c)(1)(C) Agreement

Forest's plea will be tendered pursuant to Fed. R. Crim. P. 11(c)(1)(C). Forest cannot withdraw its plea of guilty unless the sentencing judge rejects this Agreement or fails to impose a sentence consistent herewith. If the sentencing judge rejects this Agreement or fails to impose a sentence consistent herewith, this Agreement shall be null and void at the option of either the United States or Forest, with the exception of paragraph 13 (Waiver of Defenses) which shall remain in full effect.

Forest may seek sentencing by the District Court immediately following the Rule 11 plea hearing. The United States does not object to the Court proceeding to sentence Forest immediately following the Rule 11 plea hearing or in the absence of a Presentence Report in this case. Forest understands that the decision whether to proceed immediately following the plea hearing with the sentencing proceeding, and to do so without a Presentence Report, is exclusively that of the United States District Court.

12. Civil and Administrative Liability

By entering into this Agreement, the United States does not compromise any civil or administrative liability, including but not limited to any False Claims Act or tax liability, which Forest may have incurred or may incur as a result of its conduct and its plea of guilty to the attached Information.

Forest's civil liability to the United States in connection with certain of the matters under investigation by the United States is resolved in the Civil Settlement Agreement with Forest, attached as Exhibit B, according to the terms set forth in that Agreement.

13. Waiver of Defenses

If Forest's guilty plea is not accepted by the Court for whatever reason, if Forest's guilty plea is later withdrawn or otherwise successfully challenged by Forest for whatever reason, or if Forest breaches this Agreement, Forest hereby waives, and agrees it will not interpose, any defense to any charges brought against it which it might otherwise have under the Constitution for pre-indictment delay, any statute of limitations, or the Speedy Trial Act, except Forest retains any such defense that Forest specifically reserved in the parties' tolling agreement dated July 20, 2010, attached hereto as

Exhibit C. This waiver is effective provided that charges are filed within six months of the date on which such guilty plea is rejected, withdrawn, or successfully challenged, or a breach is declared by the United States.

14. Breach of Agreement

If the United States determines that Forest has failed to comply with any material provision of this Agreement, or has committed any crime following its execution of this Agreement, the United States may, at its sole option, be released from its commitments under this Agreement in its entirety by notifying Forest, through counsel or otherwise, in writing. The United States may also pursue all remedies available under the law, even if it elects not to be released from its commitments under this Agreement. Forest recognizes that no such breach by it of an obligation under this Agreement shall give rise to grounds for withdrawal of its guilty plea. Forest understands that should it breach any material provision of this Agreement, the United States will have the right to use against Forest before any grand jury, at any trial or hearing, or for sentencing purposes, any statements which may be made by Forest, and any information, materials, documents or objects which may be provided by it to the government subsequent to this Agreement, without any limitation.

Forest understands and agrees that this Rule 11(c)(1)(C) plea agreement and its agreed-upon criminal disposition:

- a. are wholly dependent upon Forest's timely compliance with the material provisions of the attached Civil Settlement Agreement, and that
- b. failure by Forest to comply fully with the material terms of this Agreement or the attached Civil Settlement Agreement will constitute a breach of this Agreement, provided however, that a breach of the Corporate Integrity Agreement (the "CIA"), referred to in the Civil Settlement Agreement, does not constitute a breach of this Plea Agreement, and any disputes arising under the CIA shall be resolved exclusively through the dispute resolution provisions of the CIA.

In the event Forest at any time hereafter breaches any material provision of this Agreement, Forest understands that (1) the United States will as of the date of that breach be relieved of any obligations it may have in this Agreement and the attached Civil Settlement Agreement, including but not limited to the promise not to further prosecute Forest as set forth in this Agreement; and (2) Forest will not be relieved of its obligation to make the payments set forth in this Agreement and the attached Civil Settlement Agreement, nor will it be entitled to return of any monies already paid. Moreover, in the event of a breach, Forest understands and agrees that the United States may pursue any and all charges that might otherwise have been brought but for this Agreement, and Forest hereby waives, and agrees it will not interpose, any defense to any charges brought against it which it might otherwise have under the Constitution for pre-indictment delay, any statute of limitations, or the Speedy Trial Act, except Forest retains any such defenses that Forest specifically reserved in the parties' tolling agreement dated July 20, 2010.

15. Who Is Bound By Agreement

With respect to matters set forth in Paragraph 5, this Agreement is binding upon Forest and the Office of the United States Attorney for the District of Massachusetts, the United States Attorney's Offices for each of the other 93 judicial districts of the United States, and the Office of Consumer Litigation of the Department of Justice. The non-prosecution provisions in Paragraph 5 are also binding on the Criminal Division of the United States Department of Justice, with the exception of any investigations of Forest that are or may be conducted in the future by the Fraud Section of the Criminal Division regarding possible violations of the Foreign Corrupt Practices Act and related offenses in connection with the sales and marketing of Forest's products to foreign customers, which investigations are specifically excluded from the release in Paragraph 5. A copy of the letter to United States Attorney Carmen M. Ortiz from the Deputy Assistant Attorney General, Criminal Division, Department of Justice, authorizing this Agreement is attached as Exhibit D. Forest understands that this Agreement does not bind any state or local prosecutive authorities, the Tax Division of the U.S. Department of Justice or the Internal Revenue Service of the U.S. Department of the Treasury.

16. Corporate Authorization


Forest's acknowledgment of this Agreement and execution of this Agreement on behalf of the corporation is attached as Exhibit E. Forest shall provide to the U.S. Attorney and the Court a certified copy of a resolution of the governing authority of Forest Pharmaceuticals, Inc., affirming that it has authority to enter into the Plea Agreement and has (1) reviewed the Information in this case and the proposed Plea Agreement; (2) consulted with legal counsel in connection with the matter; (3) voted to enter into the proposed Plea Agreement; (4) voted to authorize Forest to plead guilty to the charges specified in the Information; and (5) voted to authorize the corporate representative identified below to execute the Plea Agreement and all other documents necessary to carry out the provisions of the Plea Agreement. A copy of the resolution is attached as Exhibit F. Forest agrees that either a duly-authorized corporate representative or a duly-authorized attorney employed by Forest, at the discretion of the Court, shall appear on behalf of Forest and enter the guilty plea and will also appear for the imposition of sentence.

17. Complete Agreement

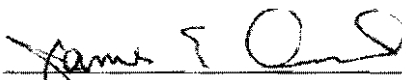
This Agreement and the attachments hereto, together with the Civil Settlement Agreement and attachments thereto, and the separate Side Letter Agreement with Forest Laboratories, Inc. and attachments thereto, set forth the complete and only agreement between the parties relating to the disposition of this case. No promises, representations or agreements have been made other than those set forth in this Agreement and its attachments, and the Civil Settlement Agreement and its attachments, and the separate Side Letter Agreement with Forest Laboratories, Inc. and its attachments. This Agreement supersedes prior understandings, if any, of the parties, whether written or oral. This Agreement can be modified or supplemented only in a written memorandum signed by the parties or on the record in court.

If this letter accurately reflects the Agreement between the United States and your client, Forest, please have the authorized representative of Forest sign the Acknowledgment of Agreement below. Please also sign below as Witness. Return the original of this letter to Assistant U.S. Attorney James E. Arnold.


Very truly yours,

*on behalf of*   
*Jack W. Porech, First Assistant U.S. Attorney*

CARMEN M. ORTIZ  
UNITED STATES ATTORNEY  
DISTRICT OF MASSACHUSETTS

By:   
JAMES E. ARNOLD  
Assistant U.S. Attorney  
District of Massachusetts


TONY WEST  
ASSISTANT ATTORNEY GENERAL  
CIVIL DIVISION  
U.S. DEPARTMENT OF JUSTICE

By:  *for*  
JEFFREY I. STEGER  
Trial Attorney  
Office of Consumer Litigation  
U.S. Department of Justice

**ACKNOWLEDGMENT OF AGREEMENT**

The Board of Directors of Forest Pharmaceuticals, Inc. (the "Board") has directed and authorized the officers of Forest Pharmaceuticals, Inc., or their authorized representatives, to execute this Plea Agreement on behalf of Forest Pharmaceuticals, Inc., and to take all such actions as may be necessary to effectuate this Plea Agreement. The Board has read this Plea Agreement, the attached criminal Information, and the Civil Settlement Agreement including all attachments in their entirety and has discussed them fully in consultation with Forest's attorney. The Board acknowledges that these documents fully set forth Forest's agreement with the United States. The Board further states that no additional promises or representations have been made to Forest by any officials of the United States in connection with the disposition of this matter, other than those set forth in the Plea Agreement and the attached Civil Settlement Agreement.

Dated: 9/15/2010

  
HERSCHEL S. WEINSTEIN  
General Counsel  
Forest Laboratories, Inc.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Mary Jo White, Esq.  
Christopher K. Tahbaz, Esq.  
Andrew J. Ceresney, Esq.  
Kristin D. Kiehn, Esq.  
Debevoise & Plimpton LLP  
Counsel for Defendant


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Dated: \_\_\_\_\_

\_\_\_\_\_  
HERSCHEL S. WEINSTEIN  
General Counsel  
Forest Laboratories, Inc.

Dated: 9/15/10

  
\_\_\_\_\_  
Mary Jo White, Esq.  
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Debevoise & Plimpton LLP  
Counsel for Defendant