

**UNITED STATES OF AMERICA  
BEFORE FEDERAL TRADE COMMISSION**

**In the Matter of**

**PERRIGO COMPANY**  
**a corporation,**

**and**

**PADDOCK LABORATORIES, INC.**  
**a corporation.**

**File No. 111-0083**

**AGREEMENT CONTAINING CONSENT ORDER**

The Federal Trade Commission ("Commission"), having initiated an investigation of the proposed acquisition by Respondent Perrigo Company of substantially all of the assets and substantially all of the liabilities of Respondent Paddock Laboratories, Inc. (collectively "Proposed Respondents"), and it now appearing that Proposed Respondents are willing to enter into this Agreement Containing Consent Order ("Consent Agreement") to divest certain assets and providing for other relief:

**IT IS HEREBY AGREED** by and between Proposed Respondents, by its duly authorized officers and attorneys, and counsel for the Commission that:

1. Proposed Respondent Perrigo Company ("Perrigo") is a corporation organized, existing and doing business under and by virtue of the laws of the State of Michigan with its headquarters located at 515 Eastern Avenue, Allegan, Michigan 49010.
2. Proposed Respondent Paddock Laboratories, Inc. ("Paddock") is a corporation organized, existing and doing business under and by virtue of the laws of the State of Minnesota with its headquarters located at 3940 Quebec Avenue North, Minneapolis, Minnesota 55427.
3. Proposed Respondents admit all the jurisdictional facts set forth in the draft of Complaint here attached.
4. Proposed Respondents waive:
  - a. any further procedural steps;

- b. the requirement that the Commission's Decision and Order and Order to Maintain Assets, both of which are attached hereto and made a part hereof, contain a statement of findings of fact and conclusions of law;
  - c. all rights to seek judicial review or otherwise challenge or contest the validity of the Decision and Order or the Order to Maintain Assets entered pursuant to this Consent Agreement; and
  - d. any claim under the Equal Access to Justice Act.
5. Because there may be interim competitive harm, the Commission may issue its Complaint and the Order to Maintain Assets in this matter at any time after it accepts the Consent Agreement for public comment.
6. Not later than thirty (30) days after the date this Consent Agreement is signed by the Proposed Respondents, each Proposed Respondent shall submit an initial report, pursuant to Section 2.33 of the Commission's Rules, 16 C.F.R. § 2.33, and shall, individually, also submit subsequent reports every thirty (30) days thereafter until the Order to Maintain Assets becomes final, at which time the reporting obligations contained in the Order to Maintain Assets (other than the requirement to submit an initial report pursuant to this Consent Agreement) shall control.
7. Each report submitted pursuant to paragraph 6 above shall submit in detail the manner in which the Proposed Respondent submitting the report has complied, is complying or will comply with the Consent Agreement, the Order to Maintain Assets and the Decision and Order. In addition, each report shall provide sufficient information and documentation to enable the Commission to determine independently whether the Proposed Respondents are in compliance with this Consent Agreement and each of the Orders.
8. All reports submitted pursuant to paragraph 6 above shall be verified by a notarized signature or sworn statement or self verified in the manner set forth in 28 U.S.C. §1746, and shall be signed by the Chief Executive Officer; or, if specifically authorized to do so, by another officer or designated representative of the Proposed Respondent submitting the report. Section 2.41(a) of the Commission's Rules of Practice requires that an original and two copies of all compliance reports be filed with the Commission. Each Proposed Respondent shall file an original report and one copy with the Secretary of the Commission, and shall send one copy directly to the Bureau of Competition's Compliance Division. In addition, Proposed Respondents shall provide a copy of each report to the Monitor appointed by the Order to Maintain Assets. Such reports will not become part of the public record of the proceeding unless and until the Consent Agreement and Decision and Order are accepted by the Commission for public comment.
9. In the initial report described in Paragraph 6, each Proposed Respondent shall set forth in detail the procedures it has implemented:
  - a. to reasonably ensure that all employees and representatives who have or may be exposed to Confidential Business Information understand and are required to

comply with the confidentiality obligations contained in Paragraph II.I of the Decision and Order; and

- b. to reasonably ensure that all employees and representatives of the Proposed Respondent submitting such report, including those hired during the term of the Order, understand and are required to comply with all terms of this Order that are relevant to their job duties.
10. This Consent Agreement shall not become part of the public record of the proceeding unless and until it is accepted by the Commission. If this Consent Agreement is accepted by the Commission, it, together with the draft of Complaint contemplated thereby, will be placed on the public record for a period of thirty (30) days and information in respect thereto publicly released. The Commission thereafter may either withdraw its acceptance of this Consent Agreement and so notify Proposed Respondents, in which event it will take such action as it may consider appropriate, or issue or amend its Complaint (in such form as the circumstances may require) and issue its Decision and Order, in disposition of the proceeding.
  11. This Consent Agreement is for settlement purposes only and does not constitute an admission by Proposed Respondents that the law has been violated as alleged in the draft of Complaint here attached, or that the facts as alleged in the draft of Complaint, other than jurisdictional facts, are true.
  12. This Consent Agreement contemplates that, if it is accepted by the Commission, the Commission may (a) issue and serve its Complaint, corresponding in form and substance with the draft of Complaint here attached; (b) issue and serve its Order to Maintain Assets; and (c) make information public with respect thereto. If such acceptance is not subsequently withdrawn by the Commission pursuant to the provisions of Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission may, without further notice to Proposed Respondents, issue the attached Decision and Order containing an order to divest and providing for other relief in disposition of the proceeding.
  13. When final, the Decision and Order and the Order to Maintain Assets shall have the same force and effect and may be altered, modified or set aside in the same manner and within the same time provided by statute for other orders. The Decision and Order and the Order to Maintain Assets shall become final upon service. Delivery of the Complaint, the Decision and Order, and the Order to Maintain Assets to a Proposed Respondent by any means provided in Commission Rule 4.4(a), 16 C.F.R. § 4.4(a)--including delivery to an office within the United States of Scott A. Stempel and Harry T. Robins of Morgan, Lewis & Backus LLP (if to Proposed Respondent Perrigo) or to Garret G. Rasmussen of Orick, Herrington & Sutcliffe LLP (if to Proposed Respondent Paddock)--shall constitute service as to such Proposed Respondent. Proposed Respondents waive any right they may have to any other manner of service. Proposed Respondents also waive any right they may otherwise have to service of any Appendices incorporated by reference into the Decision and Order if Proposed Respondents are already in possession of copies of such Appendices, and each Proposed Respondent agrees that it is bound to comply with and

will comply with the Decision and Order to the same extent as if it had been served with copies of the Appendices.

14. The Complaint may be used in construing the terms of the Decision and Order and the Order to Maintain Assets, and no agreement, understanding, representation, or interpretation not contained in the Decision and Order, the Order to Maintain Assets, or the Consent Agreement may be used to limit or contradict the terms of the Decision and Order or the Order to Maintain Assets.
15. By signing this Consent Agreement, Proposed Respondents represent and warrant that they can accomplish the full relief contemplated by the attached Decision and Order (including effectuating all required divestitures, assignments, transfers) and the Order to Maintain Assets and that all parents, subsidiaries, affiliates, and successors necessary to effectuate the full relief contemplated by this Consent Agreement are: (1) within the control of the parties to this Consent Agreement; or (2) will be in the control of the parties to this Consent Agreement after the proposed acquisition.
16. Proposed Respondents agree that they shall interpret each Remedial Agreement under the Decision and Order in a manner that is fully consistent with all of the relevant provisions and remedial purposes of the Decision and Order.
17. Proposed Respondents have read the draft of Complaint, the Decision and Order, and the Order to Maintain Assets contemplated hereby. Proposed Respondents understand that once the Decision and Order and the Order to Maintain Assets have been issued, they will be required to file one or more compliance reports showing that they have fully complied with the Decision and Order and the Order to Maintain Assets.
18. Proposed Respondents agree to comply with the terms of the proposed Decision and Order and the Order to Maintain Assets from the date they sign this Consent Agreement. Proposed Respondents further understand that they may be liable for civil penalties in the amount provided by law for each violation of the Decision and Order and of the Order to Maintain Assets after they become final

**PERRIGO COMPANY**

By: \_\_\_\_\_  
Joseph C. Papa  
President, Chief Executive Officer and  
Chairman  
Perrigo Company  
Date: \_\_\_\_\_

\_\_\_\_\_  
Scott A. Stempel  
Morgan, Lewis & Bockius LLP  
Counsel for Perrigo Company

**PADDOCK LABORATORIES, INC.**

By: \_\_\_\_\_  
Bruce Paddock  
Chairman of the Board  
Paddock Laboratories, Inc.  
Date: \_\_\_\_\_

\_\_\_\_\_  
Garret G. Rasmussen  
Orrick, Herrington & Sutcliffe LLP  
Counsel for Paddock Laboratories, Inc.

**FEDERAL TRADE COMMISSION**

By: Christine Palumbo  
Christine Palumbo  
Attorney  
Bureau of Competition

**APPROVED:**

Michael R. Moiseyev  
Michael R. Moiseyev  
Assistant Director  
Bureau of Competition

Richard A. Feinstein  
Richard A. Feinstein  
Director  
Bureau of Competition  
Date: 6/14/11

Peter J. Levitas  
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Deputy Director  
Bureau of Competition  
Date: 6/14/11

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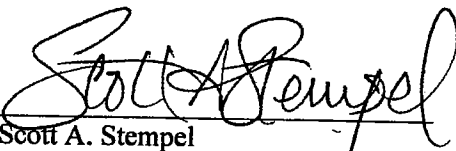
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Attorney  
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