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Verne, B. Michael

From: [Redacted]
Sent: Tuesday, February 01, 2011 10:41 AM
To: Verne, B. Michael
Subject: JV/HSR

Mike,

Thank you for speaking with me yesterday regarding the HSR reportability of the arrangement described below.

Company A owns an NDA for a branded pharmaceutical product (Product I). Company B owns the NDA for a different branded pharmaceutical product (Product II).

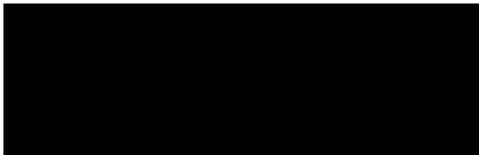
The parties will form a JV which will be owned 75% by Company A, and 25% by Company B. Company A will contribute to the JV a license to Product I, and will retain the right to manufacture that product. Company B will contribute a license to Product II, and will retain the right to manufacture that product. Company B will also make a one-time cash payment of \$100 million to Company B.

Under existing PNO interpretations including Informal Staff Opinion 1001006, the licenses that Company A and Company B will each contribute to the JV are non-exclusive because, in each case, the contributing company retains the right to manufacture the product. The direct acquisition of those non-exclusive licenses is not considered the acquisition of an asset under the HSR Act or HSR Rules and does not require an HSR filing.

As we discussed today, because the direct acquisition of the non-exclusive licenses is not considered the acquisition of an asset, you agreed that the acquisition by Company A and Company B of shares in the JV entity in connection with its formation (assuming the JV does not hold non-exempt assets exceeding the relevant HSR threshold), would also be exempt, and therefore no HSR filing would be required for the formation of the JV.

Please confirm that this accurately reflects our discussion and your analysis.

Regards,



AGREE
[Signature]

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Further information about the firm, a list of the Partners and their professional qualifications will be provided upon request.

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