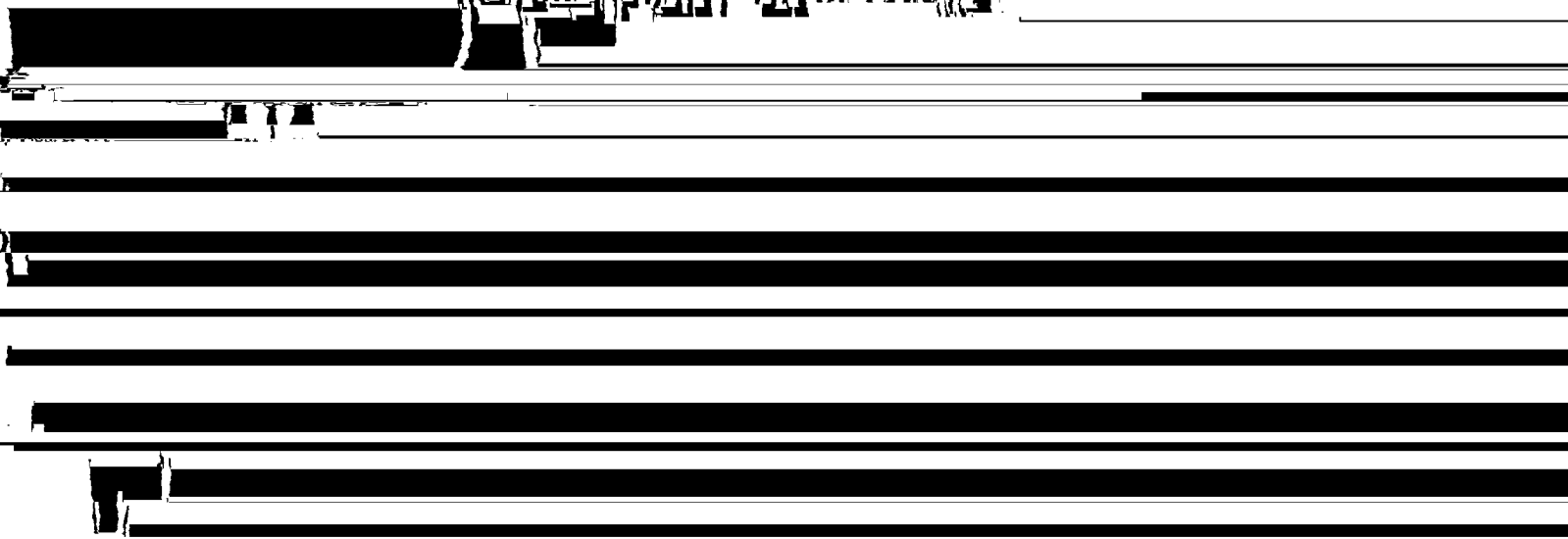


UNITED STATES OF AMERICA

FEDERAL TRADE COMMISSION



William E. Kovacic
J. Thomas Rosch
Edith Ramirez
Julie Brill

In the Matter of

PERRIGO COMPANY,
a corporation,

and

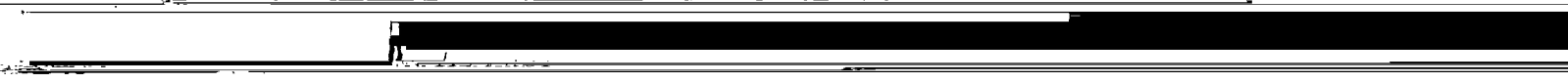
PADDOCK LABORATORIES, INC

Docket No. C-4329

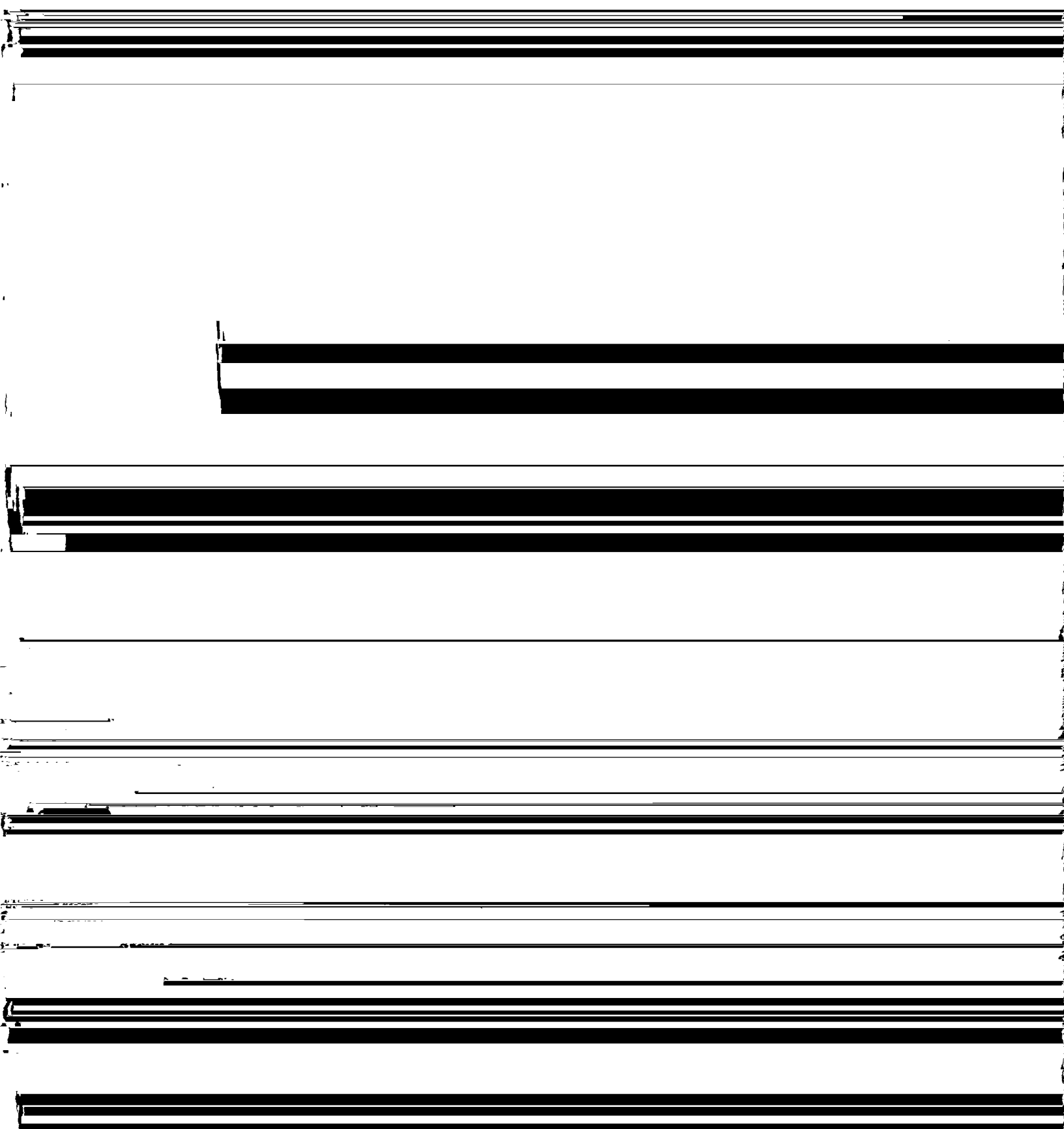
a corporation.

ORDER TO MAINTAIN ASSETS

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



had reason to believe that Respondents have violated the said Acts, and that a Complaint should issue stating its charges in that respect, and having determined to accept the executed Consent Agreement and to place such Consent Agreement on the public record for a period of thirty (30) days for the receipt and consideration of public comments, now in further conformity with the



F. "Acquirer(s)" means Watson or any other Person approved by the Commission to acquire particular assets or rights that Respondents are required to assign, grant, license, divest, transfer, deliver, or otherwise convey pursuant to the Decision and Order.

G. "Acquisition" means the acquisition contemplated by the Purchase Agreement by and

among Perrigo Company, Paddock Laboratories, Inc., Paddock Properties Limited Partnership and, solely for purposes of Section 11.15, the person set forth on Exhibit A, Dated as of January 20, 2011.

H. "Acquisition Date" means the date the Respondents close on the Acquisition.

I. "Closing Date" means the date on which Respondents (or a Divestiture Trustee) consummate a transaction to assign, grant, license, divest, transfer, deliver, or otherwise convey the Divestiture Products Assets and the Divestiture Products License to an

Acquirer(s) pursuant to this Order.

J. "Confidential Business Information" means information owned by, or in the possession or control of, Respondents that is not in the public domain.

K. "Decision and Order" means the Decision and Order incorporated into and made a part of the Agreement Containing Consent Orders.

L. "Divestiture Trustee" means the person approved by the Commission to acquire

- manner without disruption, delay, or impairment of the regulatory approval processes related to any Divestiture Product;
- e. ensure the completeness of the transfer and delivery of the Divestiture

Products Manufacturing Technology; and

shall not sell, transfer, encumber, or otherwise impair the assets required to be

divested (other than in the manner prescribed in the Orders) nor take any action that lessens the full economic viability, marketability, or competitiveness of the

Divestiture Products Businesses,

provided that these obligations shall apply to any Divestiture Product

III.

IT IS FURTHER ORDERED that

- A. Until the Closing Date, Respondents shall provide all Divestiture Product Employees with reasonable financial incentives to continue in their positions and to continue the Divestiture Products Businesses in a manner consistent with past practices and/or as may be necessary to preserve the existing marketability, viability and competitiveness of the Divestiture Products and to ensure successful execution of the pre-Acquisition plans for such Divestiture Products. Such incentives shall include a continuation of all employee benefits offer by Respondents until the Closing Date, including regularly scheduled raises, bonuses, vesting of pension benefits (as permitted by Law), and additional

Divestiture Products.

- B. Until Respondent Perrigo fully transfers and delivers to the Acquirer the Divestiture Products Assets and grants the Divestiture Products License, Respondent Perrigo shall maintain a work force at least as equivalent in size, training, and expertise to what has been associated with the Divestiture Products for the relevant Divestiture Products' last

Designee, including, but not limited to, removing non-competition or non-disclosure provisions of employment or other contracts with a Respondent that may affect the ability or incentive of a Divestiture Products Employee to be employed by an Acquirer or its Manufacturing Designee.

3. if requested by a Divestiture Products Employee, provide such employee with any

~~requested amount exceeding his or her salary and benefits, including but not~~

limited to, his or her base salary or current wages; his or her most recent bonus
~~paid, aggregate annual compensation for the relevant Respondent's last fiscal year~~

carry out his or her duties and responsibilities in a manner consistent with the purposes of the Orders and in consultation with the Commission or its staff;

3. The Monitor shall, in his or her sole discretion, consult with Third Parties in the exercise of his or her duties under the Orders or any agreement between the Monitor and Respondents; and
4. The Monitor shall evaluate the reports submitted to the Commission by Respondents pursuant to the Orders and the Consent Agreement, and within thirty (30) days from the date the Monitor receives a report, report in writing to the Commission concerning performance by Respondents of its obligations under the

F. The Commission may, among other things, require the Monitor and each of the

sign an appropriate confidentiality agreement related to Commission materials and information received in connection with the performance of the Monitor's duties.

F. The Monitor shall serve until Respondents fully and finally transferred Divestiture Products Assets, granted the Divestiture Products License, and fulfilled all obligations under this Order to provide assistance, and manufacture and supply the Contract Manufacture Products.

G. If the Commission determines that the Monitor has ceased to act or failed to act diligently, the Commission may appoint a substitute Monitor. The Commission shall select the substitute Monitor, subject to the consent of Respondents, which consent shall not be unreasonably withheld. If Respondents have not opposed, in writing, including

setting forth in detail the manner and form in which it intends to comply, is complying,

and is complying with the Order within the (30) day period of the Order.

Commission will notify Respondents and Respondents shall expeditiously rescind the modification or make such other changes as are required by the Commission.

- E. Respondents shall not seek, directly or indirectly, pursuant to any dispute resolution mechanism incorporated in any Remedial Agreement, or in any agreement related to any of the Divestiture Products a decision the result of which would be inconsistent with the terms of the Orders or the remedial purposes thereof.

VII.

IT IS FURTHER ORDERED that

- A. For purposes of determining or securing compliance with this Order, and subject to any [redacted] and upon written request and upon five (5) days notice to