## Key Facts

Business address: **Summit, New Jersey, United States**
Industry: **Pharmaceutical Preparation Manufacturing** (NAICS 325412)
SEC filer status: **Large Accelerated Filer** as of Jun 2019
Index member: **S&P 500, Russell 1000**
Market Cap: $65.6b as of Jul 30, 2019
Annual revenue: $15.3b as of Dec 31, 2018

## Corporate Governance

CEO: **Mark Alles** since 2016
CFO: **David V. Elkins** since 2018 — 1st level

Board Chairman: **Mark Alles** since 2018
Audit Committee Chair: **James J. Loughlin** — 2nd level

Auditor: **KPMG LLP** since 1986
Outside Counsel (most recent): **Quinn Emanuel Urquhart & Sullivan LLP**
**Saul Ewing Arnstein & Lehr LLP** — 3rd level

SEC Reviewer: **Sharon M Blume** — 4th level

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How to analyze this company's Watchdog Report? Skip to the last page

Information in this report is effective Sep 27, 2019 and is taken from the company's public financial and regulatory filings. Latest filing 10-Q filed 07/30/2019. Over 75 accounting and data analysts scrutinize and review crucial information, footnotes, disclosures, etc., from these filings. Material facts are captured and processed using our proprietary methods which identify key risk factors our readers need to know. Each Watchdog Report represents 30 or more hours of analysis and processing.

Accounting and financial disclosure data from Audit Analytics.
Executive compensation data from Shore Group and Intrinio.
Data from Sharadar.
Data from Barchart via Quandl.
Data from Exchange Data International via Quandl.

Sep 27, 2019 | Jan 1, 2018 | Jan 1, 2014
RECENT PERIOD | HISTORICAL PERIOD

10-Q filed on Jul 30, 2019 for period ending Jun 2019

### Reporting Irregularities

| | RECENT | HISTORICAL |
|---|---|---|
| Financial Restatements | ✓ | ✓ |
| Revisions | ✓ | ✓ |
| Out of Period Adjustments | ✓ | ✓ |
| Late Filings | ✓ | ✓ |
| Impairments | ! | ! |
| Changes in Accounting Estimates | ! | ! |
| Disclosure Controls | ✓ | ✓ |
| Internal Controls | ✓ | ✓ |
| Critical / Key Audit Matters | – | – |

### Anomalies in the Numbers

| | RECENT | HISTORICAL |
|---|---|---|
| Benford's Law | ! | ✓ |
| Beneish M-Score | ✓ | ✓ |
| Accounting Disclosure Complexity | ! | ! |

### Securities & Exchange Commission Concerns

| | RECENT | HISTORICAL |
|---|---|---|
| SEC Letters to Management | ! | ! |
| Revenue Recognition | ✓ | ✓ |
| Non-GAAP Measures | ✓ | ✓ |

### Lawsuits

| | RECENT | HISTORICAL |
|---|---|---|
| Significant Litigation | ! | ! |
| Class Actions | ! | ! |
| Securities Law | ! | ! |

### External Pressures

| | RECENT | HISTORICAL |
|---|---|---|
| Shareholder Activism | ✓ | ✓ |
| Cybersecurity | ✓ | ✓ |

### Management Review

| | RECENT | HISTORICAL |
|---|---|---|
| CEO Changes | ✓ | ! |
| CFO Changes | ! | ! |
| Insider Sales | ✓ | ! |

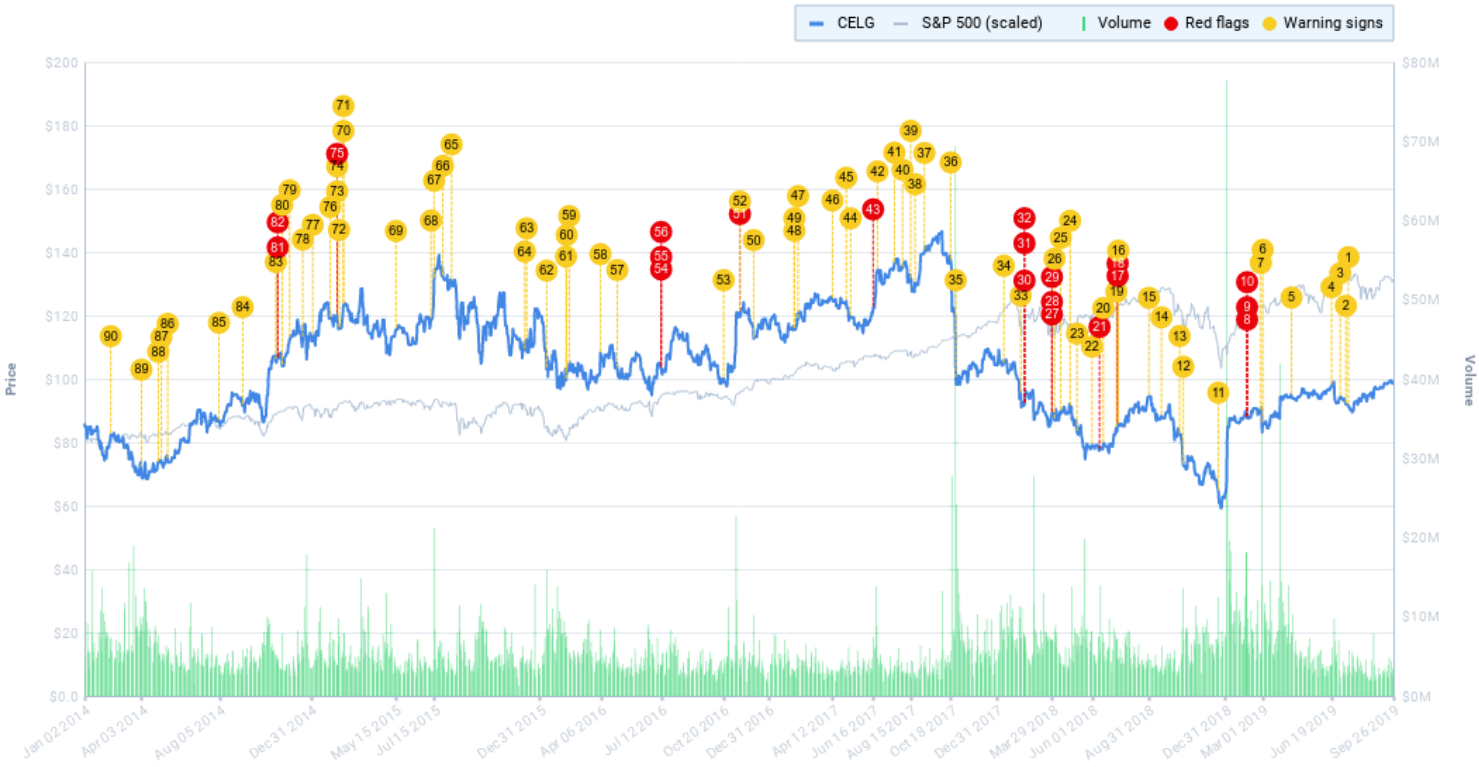
### Auditor Assessment

| | RECENT | HISTORICAL |
|---|---|---|
| Auditor Experience | ✓ | ✓ |
| Auditor Tenure | ! | ! |
| Audit Fees | ✓ | ✓ |
| Non-Audit Fees | ✓ | ✓ |

## Overview

### Price and Volume History

This graph shows the price and trading history for Celgene. Warning signs and red flags are marked on the graph according to their disclosure dates.




1 Jul 16, 2019 - Lawsuit: Celgene Corp v. Hetero Labs Limited et al
2 Jul 12, 2019 - Lawsuit: Celgene Corporation v. Dr Reddys Laboratories Ltd et al
3 Jul 3, 2019 - Lawsuit: Celgene Corp v. CIPLA Ltd
4 Jun 19, 2019 - Lawsuit: Celgene Corp v. Apotex Inc
5 Apr 16, 2019 - Lawsuit: Celgene Corp v. Sun Pharma Global FZE et al
6 Mar 1, 2019 - Lawsuit: Humana Inc v. Celgene Corporation
7 Feb 26, 2019 - Lawsuit: Celgene Corporation v. Apotex Inc
8 Feb 4, 2019 - Lawsuit: Gerold v. Celgene Corporation et al
9 Feb 4, 2019 - Class Actions Lawsuit: Gerold v. Celgene Corporation et al
10 Feb 4, 2019 - Securities Law Lawsuit: Gerold v. Celgene Corporation et al
11 Dec 20, 2018 - Lawsuit: Celgene Corp v. Hetero Labs Limited et al
12 Oct 25, 2018 - Change in Accounting Estimates
13 Oct 19, 2018 - Lawsuit: Fisher v. Alles et al
14 Sep 20, 2018 - Lawsuit: Celgene Corporation v. Hetero Labs Limited et al
15 Aug 31, 2018 - Lawsuit: Celgene Corporation v. Hikma Pharmaceuticals International Li...
16 Jul 13, 2018 - Lawsuit: Celgene Corporation v. Sun Pharmaceutical Industries Inc et al
17 Jul 12, 2018 - Lawsuit: Saratoga Advantage Trusthealth & Biotechnology Portfolio v. All...
18 Jul 12, 2018 - Class Actions Lawsuit: Saratoga Advantage Trusthealth & Biotechnology ...
19 Jul 10, 2018 - Lawsuit: Celgene Corporation v. Lotus Pharmaceutical Co Ltd et al
20 Jun 19, 2018 - Lawsuit: Celgene Corporation v. Synthon Pharmaceuticals Inc et al
21 Jun 13, 2018 - Lawsuit: Humana Inc v. Celgene Corporation
22 Jun 1, 2018 - Change in CFO
23 May 8, 2018 - Lawsuit: Celgene Corporation v. Cipla Limited
24 Apr 27, 2018 - Lawsuit: Celgene Corp v. Zydus Pharmaceuticals USA Inc et al
25 Apr 12, 2018 - Lawsuit: Celgene Corporation v. Dr Reddy's Laboratories ltd et al
26 Apr 2, 2018 - SEC letters to management
27 Mar 29, 2018 - Lawsuit: In Re Celgene Corporation Inc Securities Litigation
28 Mar 29, 2018 - Class Actions Lawsuit: In Re Celgene Corporation Inc Securities Litigati...
29 Mar 29, 2018 - Securities Law Lawsuit: In Re Celgene Corporation Inc Securities Litigat...
30 Feb 13, 2018 - Lawsuit: Sembhi v. Juno Therapeutics Inc et al
31 Feb 13, 2018 - Class Actions Lawsuit: Sembhi v. Juno Therapeutics Inc et al
32 Feb 13, 2018 - Securities Law Lawsuit: Sembhi v. Juno Therapeutics Inc et al
33 Feb 7, 2018 - Impairment
34 Jan 11, 2018 - Lawsuit: Celgene Corporation v. Apotex Inc
35 Oct 26, 2017 - Change in Accounting Estimates
36 Oct 18, 2017 - Lawsuit: Juno Therapeutics Inc et al v. Kite Pharma Inc
37 Sep 6, 2017 - Lawsuit: Celgene Corporation v. Lotus Pharmaceutical Co Ltd et al
38 Aug 22, 2017 - Lawsuit: City of Hope v. Juno Therapeutics Inc

39 Aug 15, 2017 - Lawsuit: Celgene Corporation v. CIPLA Limited
40 Aug 2, 2017 - Insider Sale
41 Jul 20, 2017 - Lawsuit: Celgene Corporation v. Dr Reddys Laboratories Ltd et al
42 Jun 23, 2017 - Insider Sale
43 Jun 16, 2017 - Insider Sale
44 May 11, 2017 - Lawsuit: Celgene Corp v. Hetero Labs Limited et al
45 May 4, 2017 - Lawsuit: Celgene Corporation v. Par Pharmaceutical Inc et al
46 Apr 12, 2017 - Lawsuit: Celgene Corporation v. Zydus Pharmaceuticals (USA) Inc et al
47 Feb 16, 2017 - Insider Sale
48 Feb 10, 2017 - Impairment
49 Feb 10, 2017 - Impairment
50 Dec 7, 2016 - Lawsuit: Abraxis Bioscience LLC et al v. Cipla Ltd
51 Nov 15, 2016 - Insider Sale
52 Nov 15, 2016 - SEC letters to management
53 Oct 20, 2016 - Lawsuit: Celgene Corporation v. Dr Reddys Laboratories Inc
54 Jul 12, 2016 - Lawsuit: Veljanoski v. Juno Therapeutics Inc et al
55 Jul 12, 2016 - Class Actions Lawsuit: Veljanoski v. Juno Therapeutics Inc et al
56 Jul 12, 2016 - Securities Law Lawsuit: Veljanoski v. Juno Therapeutics Inc et al
57 May 3, 2016 - Insider Sale
58 Apr 6, 2016 - Lawsuit: Abraxis Bioscience LLC et al v. Actavis LLC
59 Feb 16, 2016 - Insider Sale
60 Feb 12, 2016 - Change in CEO
61 Feb 11, 2016 - Impairment
62 Jan 11, 2016 - Change in CEO
63 Dec 10, 2015 - Lawsuit: Celgene Corporation et al v. Teva Pharmaceuticals USA Inc
64 Dec 7, 2015 - Insider Sale
65 Aug 12, 2015 - Insider Sale
66 Jul 29, 2015 - Insider Sale
67 Jul 15, 2015 - Insider Sale
68 Jul 10, 2015 - Lawsuit: Celgene Corporation et al v. Teva Pharmaceuticals USA Inc
69 May 15, 2015 - Insider Sale
70 Feb 20, 2015 - Impairment
71 Feb 20, 2015 - Change in Accounting Estimates
72 Feb 13, 2015 - Insider Sale
73 Feb 10, 2015 - Insider Sale
74 Feb 10, 2015 - Insider Sale
75 Feb 10, 2015 - Insider Sale
76 Jan 30, 2015 - Lawsuit: Celgene Corporation et al v. Lannett Holdings Inc et al
77 Jan 2, 2015 - Insider Sale
78 Dec 17, 2014 - Insider Sale
79 Nov 26, 2014 - Insider Sale
80 Nov 14, 2014 - Insider Sale
81 Nov 7, 2014 - Lawsuit: International Union of Bricklayers & Allied Craft Workers Local 1 ...
82 Nov 7, 2014 - Class Actions Lawsuit: International Union of Bricklayers & Allied Craft W...
83 Nov 4, 2014 - Insider Sale
84 Sep 12, 2014 - Lawsuit: Celgene Corporation et al v. InnoPharma Inc
85 Aug 5, 2014 - Insider Sale
86 May 15, 2014 - Lawsuit: Celgene Corp v. Natco Pharma Limited et al
87 May 5, 2014 - Insider Sale
88 Apr 30, 2014 - Lawsuit: Celgene Corporation et al v. InnoPharma Inc
89 Apr 3, 2014 - Lawsuit: Mylan Pharmaceuticals Inc v. Celgene Corporation
90 Feb 13, 2014 - Change in Accounting Estimates

## Peer Group

Peer groups are used by companies to benchmark executive compensation and performance. Each company identifies its own peer group. Peer groups vary from company to company.

### Peer Group

| Company | Ticker | Market Cap |
|---|---|---|
| Merck & Co., Inc. | MRK | $216b |
| Eli Lilly & Co. | LLY | $107b |
| Amgen Inc. | AMGN | $106b |
| AbbVie Inc. | ABBV | $96.6b |
| Gilead Sciences Inc. | GILD | $81b |
| Bristol Myers Squibb Co. | BMY | $74.3b |
| Celgene Corp. | CELG | $65.6b |
| Allergan PLC | AGN | $52.4b |
| Biogen Inc. | BIIB | $47.3b |
| Regeneron Pharmaceuticals Inc. | REGN | $32.9b |

### Companies Who Named Celgene as a Peer

| Company | Ticker | Market Cap |
|---|---|---|
| Eli Lilly & Co. | LLY | $107b |
| Amgen Inc. | AMGN | $106b |
| Gilead Sciences Inc. | GILD | $81b |
| CVS Health Corp. | CVS | $75.6b |
| Bristol Myers Squibb Co. | BMY | $74.3b |
| Celgene Corp. | CELG | $65.6b |
| Allergan PLC | AGN | $52.4b |
| Biogen Inc. | BIIB | $47.3b |
| Vertex Pharmaceuticals Inc. | VRTX | $46.1b |
| Illumina Inc. | ILMN | $44b |

## Peer Flag Comparison

The return to a company's stock is not the only measure of executive performance. Ethics matter, and growth can quickly reverse and gains evaporate if a company's accounting and financial reporting processes are not fundamentally sound and trustworthy. How does Celgene's accounting quality compare to its peer group?

| | CELG | PEER GROUP | FLAGS | | |
|---|---|---|---|---|---|
| **Reporting Irregularities** | | | | | |
| Financial Restatements | ✓ | 9 | | | |
| Revisions | ✓ | 7 | 2 | | |
| Out of Period Adjustments | ✓ | 5 | 4 | | |
| Impairments | ! | | 9 | | |
| Changes in Accounting Estimates | ! | 1 | 8 | | |
| Disclosure Controls | ✓ | 5 | 3 | 1 | |
| Internal Controls | ✓ | 8 | | 1 | |
| Critical / Key Audit Matters | – | | | | |
| **Anomalies in the Numbers** | | | | | |
| Benford's Law | ! | 9 | | | |
| Beneish M-Score | ✓ | 6 | 2 | | |
| Accounting Disclosure Complexity | ! | 1 | 3 | 5 | |
| **Securities & Exchange Commission Concerns** | | | | | |
| SEC Letters to Management | ! | | 9 | | |
| Revenue Recognition | ✓ | 2 | 7 | | |
| Non-GAAP Measures | ✓ | 9 | | | |

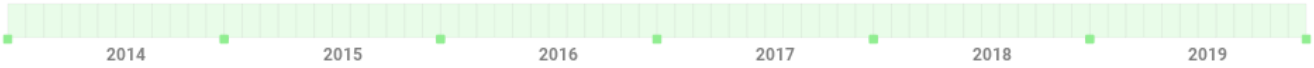
| | CELG | PEER GROUP | FLAGS | |
|---|---|---|---|---|
| **Lawsuits** | | | | |
| Significant Litigation | ! | | 1 | 8 |
| Class Actions | ! | 1 | | 8 |
| Securities Law | ! | 1 | | 8 |
| **External Pressures** | | | | |
| Shareholder Activism | ✓ | 7 | 1 | 1 |
| Cybersecurity | ✓ | 7 | 2 | |
| **Management Review** | | | | |
| CEO Changes | ! | 4 | 4 | 1 |
| CFO Changes | ! | 1 | 4 | 4 |
| Insider Sales | ! | | 6 | 3 |
| **Auditor Assessment** | | | | |
| Auditor Experience | ✓ | 9 | | |
| Auditor Tenure | ! | 5 | 4 | |
| Audit Fees | ✓ | 4 | 5 | |
| Non-Audit Fees | ✓ | 4 | 5 | |

## Reporting Irregularities

### Financial Restatements & Revisions

- No Restatements
- No Revisions

A financial restatement or revision is a serious event in the financial life of a company. When previous estimates of revenue, earnings, or equity are significantly lowered, financial restatements can have a dramatic impact on the valuation and projected growth of a company.
Financial restatements are always accompanied by a disclosure that their previous financial reports can no longer be relied upon. A revision is a change to a company's financials that is not accompanied by such a disclosure.

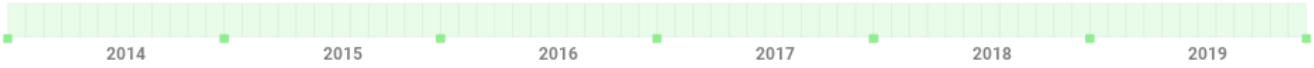



**Celgene has not restated their financials at least since 2014.**

**Celgene has not revised their financials at least since 2014.**

### Out of Period Adjustments

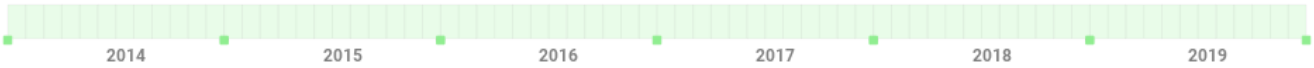
An adjustment or "out-of-period adjustment" is a one-time accounting entry that is intended to correct immaterial errors from previous reporting periods. Adjustments have a one-time impact on earnings when they are reported and indicate the existence accounting errors in previous financial reports. Analysts should pay close attention to the nature and magnitude of adjustments. The frequent use of adjustments may signal deeper issues with a company's accounting and financial reporting.




**Celgene has not made any adjustments to their financials at least since 2014.**

### Late Filings

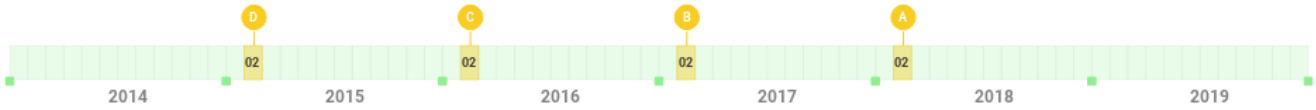
Late filings can be significant warning signs. Why didn't the company file its financial report on time? Late filings may signal an impending financial restatement or deeper problems with a company's accounting processes.




**Celgene has not filed any late financial statements at least since 2014. All financial statements have been filed on or before the appropriate deadline.**

## Impairments

An impairment is a permanent reduction in the value of an asset.




**Celgene has reported 5 impairments on 4 annual reports since 2014.**

**DISCLOSURE** A

02/07/2018 on SEC Form 10-K

**IMPACT ON PRETAX INCOME**

$1.62b

**IMPAIRMENT**

1. Intangible Assets - In-process research and development

**DISCLOSURE** B

02/10/2017 on SEC Form 10-K

**IMPACT ON PRETAX INCOME**

$429m

**IMPAIRMENT**

1. Intangible Assets - Other intangible assets (not goodwill)

2. Intercompany, investment in subs./affiliate

**DISCLOSURE** C

02/11/2016 on SEC Form 10-K

**IMPACT ON PRETAX INCOME**

$48.9m

**IMPAIRMENT**

1. Other long-lived assets, incl. capital leases, etc.

**DISCLOSURE** D

02/20/2015 on SEC Form 10-K

**IMPACT ON PRETAX INCOME**

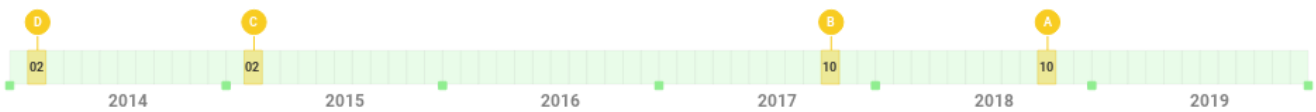
$129m

**IMPAIRMENT**

1. Intangible Assets - In-process research and development

## Changes in Accounting Estimates

Some assets and liabilities require accountants to make assumptions about future performance in order to estimate their value. Occasionally, economic conditions cause these assumptions to be revised, resulting in a change in accounting estimates. A change in accounting estimates can have a significant impact on the bottom line and may be used strategically by management to disguise otherwise weak financial results.
The impact of changes in accounting estimates on pretax income are provided when available. If the impact of changes is measured in terms of net income, it is denoted with an asterisk (*).




**Celgene has reported changes in accounting estimates on 4 reports since 2014.**

A

**DISCLOSURE DATE**

10/25/2018 on SEC Form 10-Q

**IMPACT OF THE CHANGE**

$-50m

**DESCRIPTION**

Depreciation, depletion or amortization

Depreciation, depletion or amortization - change in estimated useful life

B

**DISCLOSURE DATE**

10/26/2017 on SEC Form 10-Q

**IMPACT OF THE CHANGE**

$65m*

**DESCRIPTION**

Tax expense/benefit/deferral/other, inc. valuation allowance

C

**DISCLOSURE DATE**

02/20/2015 on SEC Form 10-K

**IMPACT OF THE CHANGE**

-

**DESCRIPTION**

Revenue Recognition - vendors rebates and allowances

D

**DISCLOSURE DATE**

02/13/2014 on SEC Form 10-K

**IMPACT OF THE CHANGE**

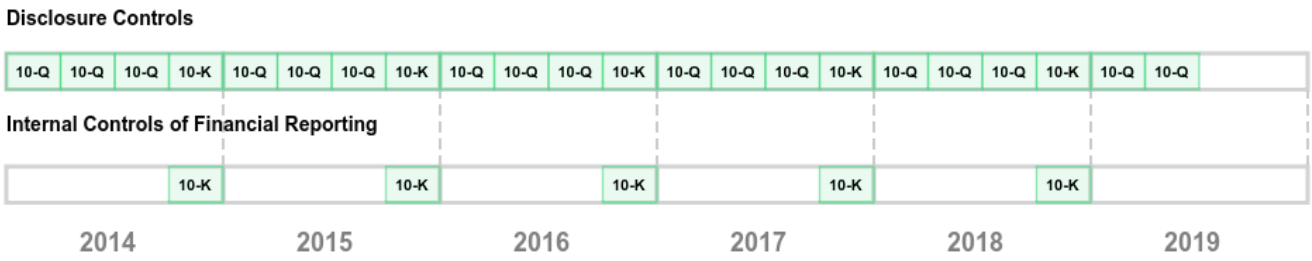
$20.3m

**DESCRIPTION**

Revenue Recognition - vendors rebates and allowances

## Internal and Disclosure Controls

Internal controls are put in place in order to prevent fraud and financial misstatements. A company with ineffective internal controls is said to have a "material weakness." A material weakness is a serious warning sign about a company's accounting quality.




**Celgene has not reported any material weakness at least since 2014.**

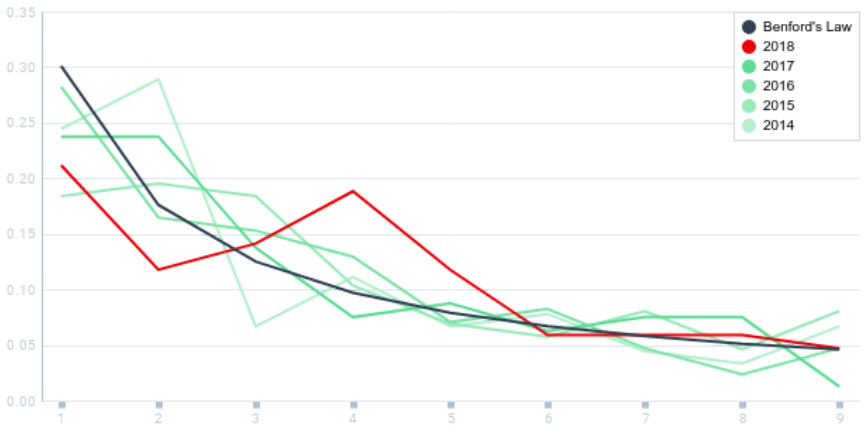
**Management attests that the disclosure controls are effective as of 06/30/2019.**

**The auditor and management attest that internal controls of financial reporting are effective as of 12/31/2018.**

## Anomalies in the Numbers

### Benford's Law

Benford's Law is used to detect financial manipulation and fraud. When financial statements do not follow Benford's Law, there is reason to suspect problems with the accounting or financial reporting process.

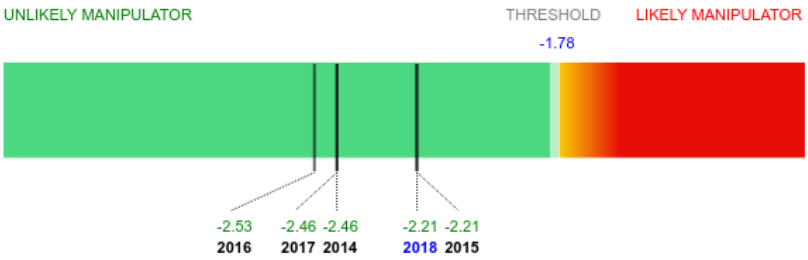



Numbers generated by natural processes conform to Benford's Law.

Celgene's financial statements in 2018 do not conform to Benford's Law. Celgene has an elevated risk of financial manipulation or fraud.

### Beneish M-Score

The Beneish M-Score is used to check whether a company has manipulated its financial statements. The M-Score is compared to a threshold to find out what it means. If the M-Score is greater than the threshold, then the company is likely to be a manipulator. However, a high Beneish M-Score is not proof of manipulation.




All Beneish M-Scores are below the threshold. There is no indication from the Beneish M-Score that reported earnings have been manipulated.

### Accounting Disclosure Complexity

Companies committed to transparency make their reports easier for investors to understand and compare. By contrast, a high degree of Accounting Disclosure Complexity makes it difficult to measure executive performance and the company's financial health. Accounting Disclosure Complexity may also be used to obfuscate serious accounting problems and other issues.

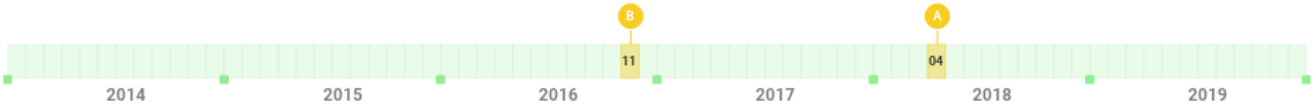

Celgene's highest level of accounting disclosure complexity was in the 10th decile in 2014. Celgene's most recent accounting disclosure complexity was in the 7th decile in 2018.

## Securities & Exchange Commission Concerns

### SEC Letters to Management

Regulators at the Securities and Exchange Commission (SEC) review each company's financial reporting. When the SEC has questions about a company's filing, they will write letters to the company asking for clarification about different accounting issues.

- Revenue Recognition
- Non-GAAP Measures




**Celgene has had 2 conversations with the SEC since 2014.**

A

| | |
|---|---|
| **FROM** | |
| Robert A Cantone (Proskauer Rose LLP) | |
| **TO** | |
| Nicholas P Panos | |
| **DISSEMINATION DATE** | 04/02/2018 |
| **LETTERS** | 1 |
| **LETTER DATE** | 02/14/2018 |

**ISSUES CITED**

Questions about the fairness of acquisition, share placement and similar transactions

Questions about the proper identification of all owners required for registration

Questions about share offers and their expiration

Questions about full disclosure of information about persons involved with the corporation

Questions about the origin of funds in a material transaction

B

| | |
|---|---|
| **FROM** | |
| James B Rosenberg (SEC) | |
| **TO** | |
| Peter N Kellogg | |
| **DISSEMINATION DATE** | 11/15/2016 |
| **LETTERS** | 10 |
| **FIRST LETTER** | 04/21/2016 |
| **LAST LETTER** | 10/17/2016 |

**ISSUES CITED**

Commitments, contingencies, and related disclosure issues

Questions about fair value measurement and estimates

Reportable operating segments disclosure and reconciliation issues

Investments and cash and cash equivalents issues

Request to identify, disclose, or explain legal matters or issues

## Lawsuits

### Significant Litigation

Is the company involved in any lawsuits? This part of the Report summarizes recent and ongoing litigation that may have a significant impact on your investment.

- **6 Class Actions**
- **4 Securities Lawsuits**

**Celgene was named in 51 significant lawsuits. The most recent lawsuit is "Celgene Corp v. Hetero Labs Limited et al" that began on 07/16/2019 and is still pending.**

| Name | Type | Start Date | End Date | Claim |
|---|---|---|---|---|
| Celgene Corp v. Hetero Labs Limited et al | Patent Law | 07/16/2019 | pending | undisclosed |
| Celgene Corporation v. Dr Reddys Laboratories Ltd et al | Patent Law | 07/12/2019 | pending | undisclosed |
| Celgene Corp v. CIPLA Ltd | Patent Law | 07/03/2019 | pending | undisclosed |
| Celgene Corp v. Apotex Inc | Patent Law | 06/19/2019 | pending | undisclosed |
| Celgene Corp v. Sun Pharma Global FZE et al | Patent Law | 04/16/2019 | pending | undisclosed |
| Humana Inc v. Celgene Corporation | Antitrust & Trade Regulation | 03/01/2019 | pending | undisclosed |
| Celgene Corporation v. Apotex Inc | Patent Law | 02/26/2019 | pending | undisclosed |
| Gerold v. Celgene Corporation et al | Class Action, Securities Law, Mergers & Acquisitions | 02/04/2019 | 04/12/2019 | undisclosed |
| Celgene Corp v. Hetero Labs Limited et al | Patent Law | 12/20/2018 | pending | undisclosed |
| Fisher v. Alles et al | Derivative, Director & Officer Liability, Stockholders Suits | 10/19/2018 | 11/14/2018 | undisclosed |
| Celgene Corporation v. Hetero Labs Limited et al | Patent Law | 09/20/2018 | 02/07/2019 | undisclosed |
| Celgene Corporation v. Hikma Pharmaceuticals International Limited et al | Patent Law | 08/31/2018 | pending | undisclosed |
| Celgene Corporation v. Sun Pharmaceutical Industries Inc et al | Patent Law | 07/13/2018 | pending | undisclosed |
| Saratoga Advantage Trusthealth & Biotechnology Portfolio v. Alles et al | Fraud or Truth-In-Lending, Class Action, Derivative, Director & Officer Liability | 07/12/2018 | 08/01/2018 | undisclosed |
| Celgene Corporation v. Lotus Pharmaceutical Co Ltd et al | Patent Law | 07/10/2018 | 03/29/2019 | undisclosed |
| Celgene Corporation v. Synthon Pharmaceuticals Inc et al | Patent Law | 06/19/2018 | 05/13/2019 | undisclosed |
| Humana Inc v. Celgene Corporation | Fraud or Truth-In-Lending | 06/13/2018 | 03/29/2019 | undisclosed |

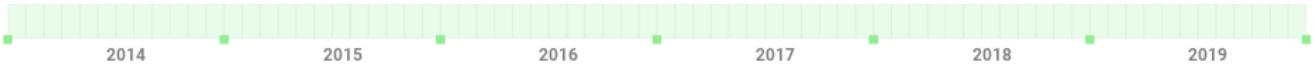
| Name | Type | Start Date | End Date | Claim |
|---|---|---|---|---|
| Celgene Corporation v. Cipla Limited | Patent Law | 05/08/2018 | pending | undisclosed |
| Celgene Corp v. Zydus Pharmaceuticals USA Inc et al | Patent Law | 04/27/2018 | pending | undisclosed |
| Celgene Corporation v. Dr Reddy's Laboratories ltd et al | Patent Law | 04/12/2018 | pending | undisclosed |
| In Re Celgene Corporation Inc Securities Litigation | Class Action, Securities Law | 03/29/2018 | pending | undisclosed |
| Sembhi v. Juno Therapeutics Inc et al | Class Action, Securities Law, Mergers & Acquisitions | 02/13/2018 | 02/27/2018 | undisclosed |
| Celgene Corporation v. Apotex Inc | Patent Law | 01/11/2018 | pending | undisclosed |
| Juno Therapeutics Inc et al v. Kite Pharma Inc | Patent Law | 10/18/2017 | pending | undisclosed |
| Celgene Corporation v. Lotus Pharmaceutical Co Ltd et al | Patent Law | 09/06/2017 | pending | undisclosed |
| City of Hope v. Juno Therapeutics Inc | Other Contract | 08/22/2017 | 06/29/2018 | undisclosed |
| Celgene Corporation v. CIPLA Limited | Patent Law | 08/15/2017 | pending | undisclosed |
| Celgene Corporation v. Dr Reddys Laboratories Ltd et al | Patent Law | 07/20/2017 | pending | undisclosed |
| Celgene Corp v. Hetero Labs Limited et al | Patent Law | 05/11/2017 | pending | undisclosed |
| Celgene Corporation v. Par Pharmaceutical Inc et al | Patent Law | 05/04/2017 | 02/07/2019 | undisclosed |
| Celgene Corporation v. Zydus Pharmaceuticals (USA) Inc et al | Patent Law | 04/12/2017 | pending | undisclosed |
| Abraxis Bioscience LLC et al v. Cipla Ltd | Patent Law | 12/07/2016 | 10/09/2018 | undisclosed |
| Celgene Corporation v. Dr Reddys Laboratories Inc | Patent Law | 10/20/2016 | pending | undisclosed |
| Veljanoski v. Juno Therapeutics Inc et al | Class Action, Securities Law | 07/12/2016 | settled | $24m |
| Abraxis Bioscience LLC et al v. Actavis LLC | Patent Law | 04/06/2016 | 01/26/2018 | undisclosed |
| Celgene Corporation et al v. Teva Pharmaceuticals USA Inc | Patent Law | 12/10/2015 | 08/08/2016 | undisclosed |
| Celgene Corporation et al v. Teva Pharmaceuticals USA Inc | Patent Law | 07/10/2015 | 08/08/2016 | undisclosed |
| Celgene Corporation et al v. Lannett Holdings Inc et al | Patent Law | 01/30/2015 | 10/30/2017 | undisclosed |
| International Union of Bricklayers & Allied Craft Workers Local 1 Health Fund v. Celgene Corp | Class Action, Antitrust & Trade Regulation | 11/07/2014 | pending | undisclosed |
| Celgene Corporation et al v. InnoPharma Inc | Patent Law | 09/12/2014 | 12/21/2015 | undisclosed |
| Celgene Corp v. Natco Pharma Limited et al | Patent Law | 05/15/2014 | 01/05/2016 | undisclosed |
| Celgene Corporation et al v. InnoPharma Inc | Patent Law | 04/30/2014 | 12/21/2015 | undisclosed |
| Mylan Pharmaceuticals Inc v. Celgene Corporation | Antitrust & Trade Regulation | 04/03/2014 | pending | undisclosed |

| Name | Type | Start Date | End Date | Claim |
|---|---|---|---|---|
| Andrulis Pharmaceuticals Corp v. Celgene Corp | Patent Law | 10/02/2013 | 07/28/2015 | undisclosed |
| Children's Medical Center Corporation v. Celgene Corporation | Other Contract | 07/02/2013 | pending | undisclosed |
| Ivax LLC v. Celgene Corporation | Patent Law | 09/28/2012 | 01/02/2014 | undisclosed |
| Cephalon Inc et al v. Celgene Corp et al | Patent Law | 12/14/2011 | 03/18/2014 | undisclosed |
| Eddins v. Celgene Corporation | Other Statutory Actions, Whistleblower (Qui Tam) | 08/17/2011 | 02/05/2014 | undisclosed |
| Celgene Corporation v. Natco Pharma Limited | Patent Law | 10/08/2010 | 01/05/2016 | undisclosed |
| United States of America et al v. Celgene Corporation | Other Statutory Actions, Whistleblower (Qui Tam) | 04/27/2010 | 07/28/2017 | undisclosed |
| Streck v. Allergan Inc et al | Commerce ICC Rates, etc, Whistleblower (Qui Tam) | 10/28/2008 | 12/23/2016 | undisclosed |

## External Pressures

### Shareholder Activism

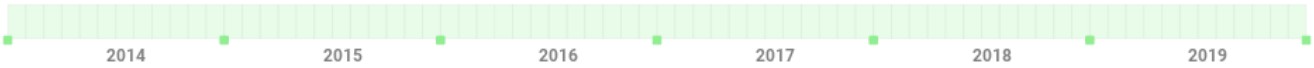
An activist shareholder uses his ownership stake to influence management and affect the strategy and direction of the company. While these shareholders contribute to oversight and may push for better financial performance or even a change in leadership, they may also pursue social, political, or environmental goals that can adversely affect a company's operations and profitability. Note that activist shareholders identified here may no longer be current shareholders.




**There are no activist shareholder reported for Celgene.**

### Cybersecurity

Cybersecurity is an area of increasing concern for many companies. A breach of confidential personal or financial data brings bad press, customer backlash and loss of goodwill, and substantial exposure to class actions. The SEC issued guidance in 2018 indicating cybersecurity risks should be treated like all other economic and business risks in regard to internal controls, financial reporting, and public disclosures.




**Celgene has not disclosed any data breaches or cybersecurity issues.**

# Management Review

## Management Turnover

Investors should always pay attention to CEO and CFO changes. These two officers are responsible for a company's performance and financial reporting. Why did they depart? There are many possible answers to this question, not all of them good.

**Reported CEO Changes**

**Mark Alles** CEO
Appointed effective: 03/01/2016 ( 8-K on 02/12/2016)
Assuming additional Position(s)

**Robert J. Hugin** Chairman of Board / CEO
Resigned effective: 03/01/2016 ( 8-K on 02/12/2016)
Position Change within Company

**Bob Hugin** CEO
Resigned effective: 03/01/2016 ( 8-K on 01/11/2016)
Position Change within Company

**Reported CFO Changes**

**David V. Elkins** CFO
Appointed effective: 08/01/2018 ( 8-K on 06/01/2018)
Assuming additional Position(s)

**Peter N. Kellogg** CFO
Resigned effective: 08/01/2018 ( 8-K on 06/01/2018)
Position Change within Company

**Peter N. Kellogg** Executive Vice President / CFO
Appointed effective: 08/01/2014 ( 8-K on 05/22/2014)
Position Change within Company

## Insider Sales

What are the CEO and CFO doing? Do they have confidence in the company, or are they unloading their shares? A large sale of stock is a big warning sign and may indicate a lack of confidence in the future prospects of the company. These two officers know more about the company than you do, and if they think it is a good time to sell, maybe you should too.

**There are significant insider sales from the company's officers.**

**Here are the significant insider sales for the CEO:**


**Here are the significant insider sales for the CFO:**


**Here are the significant insider sales for Celgene:**

| Date | Owner | Title | Shares sold | Value | Holdings | % Sold | |
|---|---|---|---|---|---|---|---|
| 08/02/2017 | KELLOGG PETER N | Executive Vice President and Chief Financial Officer | 31,110.0 | $4.21m | 40,071.0 | 43.7% | |
| 06/23/2017 | HUGIN ROBERT J | Executive Chairman | 175,970.0 | $23.6m | 986,900.0 | 15.1% | |
| 06/16/2017 | VESSEY RUPERT | President Research and Early Development | 4,785.0 | $575k | 1,063.0 | 81.8% | |
| 02/16/2017 | KELLOGG PETER N | Executive Vice President and Chief Financial Officer | 7,617.0 | $891k | 11,031.0 | 40.8% | |
| 11/15/2016 | PEHL MICHAEL F | President Hematology Oncology | 22,052.0 | $2.67m | 1,628.0 | 93.1% | |
| 05/03/2016 | SMITH SCOTT | President Inflammation ImmunologyExhibit | 4,987.0 | $516k | 34,307.0 | 12.6% | |

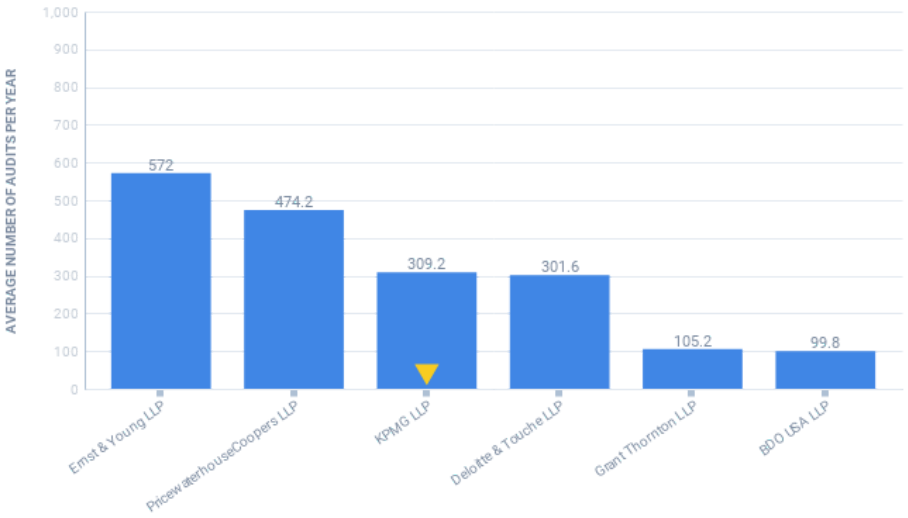
| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | ANDREW | 24 - Power of Attorney | | | | | |
| **Date** | **Owner** | **Title** | **Shares sold** | **Value** | **Holdings** | **% Sold** | |
| 02/16/2016 | FOUSE JACQUALYN A | President Hematology and Oncology | 13,746.0 | $1.41m | 74,882.0 | 15.5% | |
| 12/07/2015 | SMITH SCOTT ANDREW | President Inflammation Immunology | 5,185.0 | $552k | 26,751.0 | 16.2% | |
| 08/12/2015 | DANIEL THOMAS O | President Research and Early Development | 25,578.0 | $3.35m | 65,378.0 | 28.1% | |
| 07/29/2015 | DANIEL THOMAS O | President Research and Early Development | 29,720.0 | $3.98m | 65,378.0 | 31.2% | |
| 07/15/2015 | DANIEL THOMAS O | President Research and Early Development | 30,156.0 | $3.64m | 58,732.0 | 33.9% | |
| 05/15/2015 | KARSEN PERRY A | Chief Executive Officer of Celgene Cellular Therapuetics | 47,173.0 | $5.42m | 66,459.0 | 41.5% | |
| 02/13/2015 | KARSEN PERRY A | Chief Executive Officer Celgene Cellular Therapuetics | 27,896.0 | $3.35m | 73,755.0 | 27.4% | |
| 02/10/2015 | KARSEN PERRY A | Chief Executive Officer Celgene Cellular Therapeutics | 15,758.0 | $1.87m | 73,578.0 | 17.6% | |
| 02/10/2015 | DANIEL THOMAS O | President Research and Early Development | 8,278.0 | $983k | 49,211.0 | 14.3% | |
| 02/10/2015 | ALLES MARK J | President and Chief Operating Officer | 130,765.0 | $15.8m | 79,101.0 | 62.3% | |
| 01/02/2015 | KARSEN PERRY A | Chief Executive Officer Celgene Cellular Therapeutics | 19,273.0 | $2.18m | 58,932.0 | 24.6% | |
| 12/17/2014 | DANIEL THOMAS O | President Research and Early Development | 30,000.0 | $3.45m | 48,421.0 | 38.2% | |
| 11/26/2014 | DANIEL THOMAS O | President Research and Early Development | 33,818.0 | $3.73m | 48,421.0 | 41.1% | |
| 11/14/2014 | KARSEN PERRY A | Chief Executive Officer Celgene Cellular Therapeutics | 39,420.0 | $4.23m | 54,869.0 | 41.8% | |
| 11/04/2014 | HUGIN ROBERT J | Chairman and Chief Executive Officer | 591,858.0 | $63.5m | 1,214,077.0 | 32.7% | |
| 08/05/2014 | KARSEN PERRY A | Chief Executive Officer Celgene Cellular Therapeutics | 39,104.0 | $3.42m | 62,215.0 | 38.5% | |

| Date | Owner | Title | Shares sold | Value | Holdings | % Sold | |
|---|---|---|---|---|---|---|---|
| 05/05/2014 | FOUSE JACQUALYN A | Executive Vice President and Chief Financial Officer | 3,686.0 | $543k | 22,471.0 | 14.0% | |

## Auditor Assessment

### Auditor Experience

How much experience does the auditor have in this industry? This graph shows the average number of audits of the largest auditors in this industry in the last five years (based on our population). The current auditor is marked with an arrow.

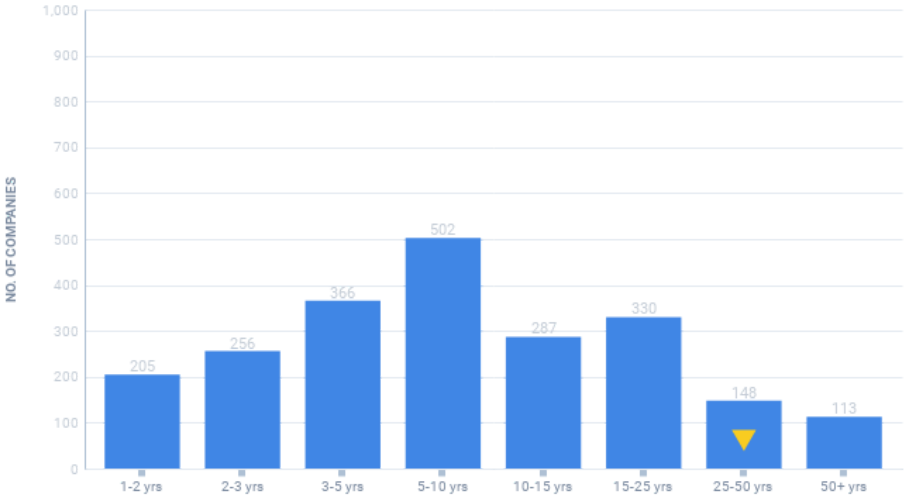



Current auditor is KPMG LLP.

Auditors with relatively little industry experience may be more likely to make mistakes. Auditors that do more audits tend to have greater industry expertise.

### Auditor Tenure

How long have they had the same auditor? This graph shows a histogram of the number of companies in the industry (from our population) and the corresponding auditor tenure. Current auditor tenure for Celgene is marked with an arrow.



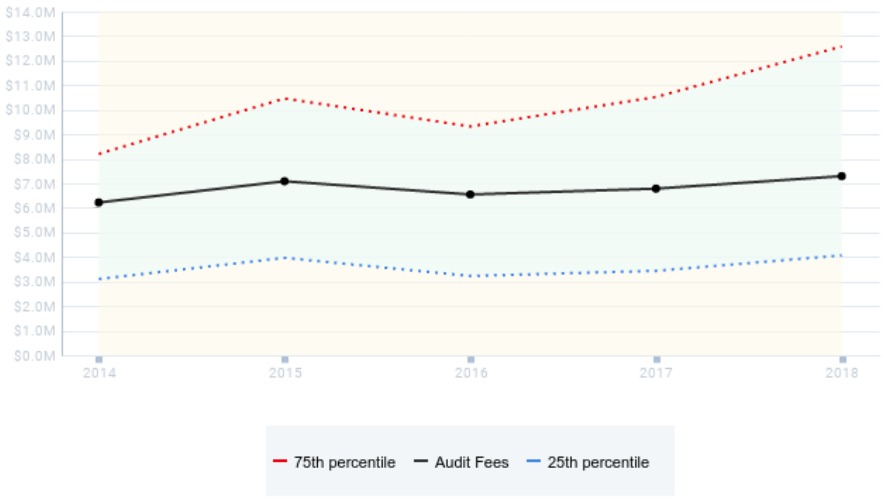

KPMG LLP has been Celgene's auditor for the last 33 years.

Mistakes may be more common in the early years of an auditor's tenure as they gain knowledge of a company's accounting policies and processes. On the other hand, there is some concern that a lengthy tenure may make auditors too "cozy" with the company and reluctant to report on issues or problems.

# Auditor Assessment

## Audit Fees

Audit fees are fees paid to the auditor for the audit and services related to the audit. This graph compares recent audit fees to the rest of the industry based on audit fee to revenue ratios (or audit fees to asset ratios for financial companies).




**MOST RECENT AUDIT FEES**

$7.29m ▲ **7.50%**

**AUDIT FEES TO REVENUE RATIO**

0.05%

Celgene's audit fees increased by 7.50% from last year. Celgene's most recent audit fees are in the normal range.

High audit fees create incentives that undermine auditor independence. On the other hand, low audit fees may result in a lower quality audit.

## Non-Audit Fees

Non-audit fees are fees paid to the auditor for the services unrelated to the audit.


**MOST RECENT NON-AUDIT FEES**

$2.16m ▲ **21.69%**

**NON-AUDIT FEES TO AUDIT FEES RATIO**

29.62%

Celgene's most recent non-audit fees are in the normal range.

Relatively high non-audit fees create incentives that undermine the auditor's objectivity and are often used as a proxy measure of auditor independence.

## Appendix

# Appendix A. SEC Letters to Management

**A** **Conversation disseminated on 04/02/2018**

**FROM:** Robert A Cantone (Proskauer Rose LLP) **TO:** Nicholas P Panos

1 LETTERS

| ISSUES CITED | LETTERS | RELATED FILINGS |
|---|---|---|
| ■ Questions about the fairness of acquisition, share placement and similar transactions | dated 02/14/2018 | SC TO-T/A 02/14/2018<br>SC TO-T 02/02/2018 |
| ■ Questions about the proper identification of all owners required for registration | | |
| ■ Questions about share offers and their expiration | | |
| ■ Questions about full disclosure of information about persons involved with the corporation | | |
| ■ Questions about the origin of funds in a material transaction | | |

**B** **Conversation disseminated on 11/15/2016**

**FROM:** James B Rosenberg (SEC) **TO:** Peter N Kellogg

10 LETTERS

| ISSUES CITED | LETTERS | RELATED FILINGS |
|---|---|---|
| ■ Commitments, contingencies, and related disclosure issues | dated 04/21/2016 | 8-K 04/28/2016 |
| ■ Questions about fair value measurement and estimates | dated 05/05/2016 | 10-K 02/11/2016 |
| ■ Reportable operating segments disclosure and reconciliation issues | dated 06/02/2016 | 8-K 01/28/2016 |
| ■ Investments and cash and cash equivalents issues | dated 06/21/2016 | |
| ■ Request to identify, disclose, or explain legal matters or issues | dated 07/19/2016 | |
| ■ Financial reporting issues related to a lack of comprehensive and clear disclosure | dated 07/21/2016 | |
| ■ Market for products or services risk factors | dated 08/16/2016 | |
| ■ Change in tax rate disclosure issues | dated 09/16/2016 | |
| ■ Research and development accounting and disclosure issues | dated 10/04/2016 | |
| | dated 10/17/2016 | |

## Appendix B. Significant Litigation

**Celgene Corp v. Hetero Labs Limited et al**
Case began on 07/16/2019

Celgene received an additional Notice Letter from Hetero dated June 3, 2019 notifying us of additional Paragraph IV certifications against U.S. Patent Nos. 7,968,569; 8,530,498; 8,648,095; 9,101,621; 9,101,622; 7,189,740; 8,404,717 and 9,056,120 that are listed in the Orange Book for REVLIMID®. In response to the Notice Letter, Celgene timely filed an infringement action against Hetero in the U.S. District Court for the District of New Jersey on July 16, 2019. As a result of the filing of our action, the FDA cannot grant final approval of Hetero's ANDA until at least the earlier of (i) a final decision that each of the patents is invalid, unenforceable, and/or not infringed, and (ii) December 3, 2021. The court has not yet entered a schedule for fact discovery, expert discovery and trial.

**Celgene Corporation v. Dr Reddys Laboratories Ltd et al**
Case began on 07/12/2019

In response to the DRL Notice Letter, Celgene timely filed an infringement action against DRL in the U.S. District Court for the District of New Jersey on July 12, 2019. As a result of the filing of the action, the FDA cannot grant final approval of DRL's ANDA until at least the earlier of (i) a final decision that each of the patents is invalid, unenforceable, and/or not infringed, and (ii) December 3, 2021. The court has yet to enter a schedule for fact discovery, expert discovery, or trial.

**Celgene Corp v. CIPLA Ltd**
Case began on 07/03/2019

Celgene received a Notice Letter dated May 30, 2019 from Cipla Ltd., India (Cipla) notifying Celgene of another Cipla ANDA, No. 213165, which contains Paragraph IV certifications against U.S. Patent Nos. 7,465,800; 7,855,217; 7,968,569; 8,530,498; 8,648,095; 9,101,621; 9,101,622; 7,189,740; 8,404,717 and 9,056,120 that are listed in the Orange Book for REVLIMID®. Cipla is seeking to manufacture and market a generic version of 5 mg, 10 mg, 15 mg, 20 mg, and 25 mg REVLIMID® (lenalidomide) capsules in the United States. In response to the Notice Letter, on July 3, 2019, Celgene timely filed an infringement action against Cipla in the U.S. District Court for the District of New Jersey. As a result of the filing of the action, the FDA cannot grant final approval of Cipla's ANDA No. 213165 until at least the earlier of (i) a final decision that each of the patents is invalid, unenforceable, and/or not infringed, and (ii) November 30, 2021. Cipla has not yet responded to this complaint. The court has not yet entered a schedule for fact discovery, expert discovery, or trial.

**Celgene Corp v. Apotex Inc**
Case began on 06/19/2019

On June 19, 2019, Celgene filed another infringement action against Apotex in the U.S. District Court for the District of New Jersey. The patents-in-suit are U.S. Patent Nos. 7,977,357; 8,193,219 and 8,431,598, which are patents that are not listed in the Orange Book. Apotex has not yet responded to this complaint. The court has yet to enter a schedule for fact discovery, expert discovery, or trial.

**Celgene Corp v. Sun Pharma Global FZE et al**
Case began on 04/16/2019

On April 16, 2019, Celgene filed another infringement action against Sun in the U.S. District Court for the District of New Jersey. The patents-in-suit are U.S. Patent Nos. 7,977,357; 8,193,219 and 8,431,598, which are patents that are not listed in the Orange Book. Sun has not yet responded to this complaint. The court has yet to enter a schedule for fact discovery, expert discovery, and trial.

**Humana Inc v. Celgene Corporation**
Case began on 03/01/2019

On March 1, 2019, Humana filed a separate lawsuit against Celgene in the United States District Court for the District of New Jersey. Humana's complaint alleges that we violated various antitrust, consumer protection, and unfair competition laws to delay or prevent generic competition for our THALOMID® and REVLIMID® brand drugs, including (a) allegedly refusing to sell samples of our products to generic manufacturers for purposes of bioequivalence testing intended to be included in ANDAs for approval to market generic versions of these products; (b) allegedly bringing unjustified patent infringement lawsuits, procuring invalid patents, and/or entering into anticompetitive patent settlements; (c) allegedly securing an exclusive supply contract for supply of thalidomide active pharmaceutical ingredient. The complaint purports to assert claims on behalf of Humana and its subsidiaries in several capacities, including as a direct purchaser and as an indirect purchaser, and seeks, among other things, treble and punitive damages, injunctive relief and attorneys' fees and costs. Celgene's initial response to the complaint is due by May 6, 2019.

**Celgene Corporation v. Apotex Inc**
Case began on 02/26/2019

Celgene received an additional Notice Letter from Apotex dated January 14, 2019 notifying us of additional Paragraph IV certifications against U.S. Patent Nos. 7,189,740; 8,404,717; and 9,056,120 that are listed in the Orange Book for REVLIMID®. In response to that Notice Letter, we timely filed an infringement action against Apotex in the U.S. District Court for the District of New Jersey on February 26, 2019. As a result of the filing of our action, the FDA cannot grant final approval of Apotex's ANDA until at least the earlier of (i) a final decision that each of the patents is invalid, unenforceable, and/or not infringed, and (ii) July 15, 2021. Apotex filed its answer on April 2, 2019. The court has not yet entered a schedule for fact discovery, expert discovery, or trial.

**Gerold v. Celgene Corporation et al**
Case began on 02/04/2019

The plaintiffs allege that defendants violated Sections 14(a) and 20(a) of the Securities Exchange Act of 1934 ("Exchange Act"), 15 U.S.C. §§ 78n(a), 78t(a) respectively, and United States Securities and Exchange Commission ("SEC") Rule 14a-9, 17 C.F.R. § 240.14a-9, in connection with the acquisition of Celgene by Bristol-Myers Squibb Company. According to the complaint, defendants filed a materially incomplete and misleading Form S-4 Registration Statement with the SEC, with the purpose of convincing stockholders to vote in favor of the transaction. Specifically, the Proxy allegedly contained materially incomplete and misleading information concerning: (a) the valuation analyses prepared by the Company's financial advisors, J. P. Morgan Securities LLC ("JPM") and Citigroup Global Markets, Inc. ("Citi"), in support of their fairness opinion and (b) the potential conflicts of interest faced by the Board during the sales process leading up to the Proposed Transaction. Plaintiff entered a Notice of Dismissal on April 12, 2019. Following the announcement of the Company's planned acquisition of Celgene, thirteen complaints were filed by Celgene shareholders in the U.S. District Court for the District of Delaware, U.S. District Court for the District of New Jersey, the U.S. District Court for the Southern District of New York and the Court of Chancery of the State of Delaware seeking to enjoin the Company's planned acquisition of Celgene. The complaints in these actions name as defendants Celgene and the members of Celgene's Board of Directors. Five of these complaints also name the Company and Burgundy Merger Sub, Inc., a wholly-owned subsidiary of the Company that was formed solely for the purpose of completing the pending acquisition of Celgene and will be merged with and into Celgene upon the completion of the acquisition, as defendants. Of the complaints naming the Company as a defendant, four are styled as putative class actions. The plaintiffs allege violations of various federal securities laws and breaches of fiduciary duties in connection with the acquisition of Celgene by the Company. Two of these complaints were voluntarily dismissed in April 2019.

**Celgene Corp v. Hetero Labs Limited et al**
Case began on 12/20/2018

Celgene received a Notice Letter dated November 9, 2018 from Hetero USA Inc. (Hetero) notifying Celgene of Hetero's ANDA, which contains Paragraph IV certifications against U.S. Patent Nos. 7,465,800; 7,855,217; 7,468,363; and 8,741,929 that are listed in the Orange Book for REVLIMID®. Hetero is seeking to manufacture and market a generic version of 2.5 mg, 5 mg, 10 mg, 15 mg, 20 mg, and 25 mg REVLIMID® (lenalidomide) capsules in the United States. In response to the Notice Letter, Celgene timely filed an infringement action against Hetero in the U.S. District Court for the District of New Jersey on December 20, 2018. As a result of the filing of Celgene's action, the FDA cannot grant final approval of Hetero's ANDA until at least the earlier of (i) a final decision that each of the patents is invalid, unenforceable, and/or not infringed, or (ii) May 12, 2021. On March 11, 2019, Hetero filed an answer and counterclaims asserting that each of the patents is invalid and/or not infringed. Celgene filed their answer to Hetero's counterclaims on April 15, 2019. The court has yet to enter a schedule for fact discovery, expert discovery, or trial.

**Fisher v. Alles et al**
Case began on 10/19/2018

On October 19, 2018, Susan Fisher filed a stockholder derivative complaint against certain of our present and former directors or executives in the U.S. District Court of Delaware. The complaint alleges that defendants violated Section 14(a) of the Securities Exchange Act by participating in the issuance of materially misleading proxies and failed to exercise proper oversight of Celgene, and that, because of that failure, the defendants caused Celgene to waste its corporate assets and the defendants were unjustly enriched. The case is voluntarily dismissed without prejudice.

**Celgene Corporation v. Hetero Labs Limited et al**
Case began on 09/20/2018

This is an action for patent infringement under the patent laws of the United States, 35 U.S.C. §100, et seq., arising from Heterо's filing of Abbreviated New Drug Application ("ANDA") No. 210236 ("Heterо's ANDA") with the United States Food and Drug Administration ("FDA") seeking approval to commercially market generic versions of Celgene's POMALYST® drug products prior to the expiration of United States Patent No. 9,993,467 (the "467 patent" or "the patent-in-suit") owned by Celgene.

**Celgene Corporation v. Hikma Pharmaceuticals International Limited et al**
Case began on 08/31/2018

This is an action for patent infringement under the patent laws of the United States, 35 U.S.C. §100, et seq., arising from West-Ward's filing of Abbreviated New Drug Application ("ANDA") No. 211947 ("West-Ward's ANDA") with the United States Food and Drug Administration ("FDA") seeking approval to commercially market generic versions of Celgene's 50 mg, 100 mg, 150 mg, and 200 mg THALOMID® drug products ("West-Ward's ANDA Products") prior to the expiration of United States Patent Nos. 6,315,720 (the "720 patent"), 6,561,977 (the "977 patent"), 6,755,784 (the "784 patent"), 6,869,399 (the "399 patent"), 7,141,018 (the "018 patent"), 7,230,012 (the "012 patent"), 7,959,566 (the "566 patent"), 8,315,886 (the "886 patent"), and 8,626,531 (the "531 patent"), all owned by Celgene (collectively, "the patents-in-suit").

**Celgene Corporation v. Sun Pharmaceutical Industries Inc et al**
Case began on 07/13/2018

This is an action for patent infringement under the patent laws of the United States, 35 U.S.C. §100, et seq., arising from Sun's filing of an Abbreviated New Drug Application ("ANDA") No. 211846 ("Sun's ANDA") with the United States Food and Drug Administration ("FDA") seeking approval to commercially market generic versions of Celgene's 5 mg, 5 mg, 10 mg, 15 mg, 20 mg, and 25 mg REVLIMID® drug products ("Sun's ANDA Products") prior to the expiration of United States Patent Nos. 7,465,800 ("the '800 patent"); 7,855,217 ("the '217 patent"); and 7,968,569 ("the '569 patent"), all owned by Celgene (collectively, "the patents-in-suit").

**Saratoga Advantage Trusthealth & Biotechnology Portfolio v. Alles et al**
Case began on 07/12/2018

On July 12, 2018, Saratoga Advantage Trust Health and Biotechnology Portfolio filed a shareholder derivative complaint against certain members of Celgene Corporation's board of directors in the U.S. District Court for the District of New Jersey. The complaint alleges that certain defendants made misrepresentations and omissions of material fact concerning, among other things, trials of GED-0301, sales of OTEZLA®, 2017 and 2020 fiscal guidance, and the new drug application for Ozanimod and all defendants failed to adequately supervise Celgene with regard to trials of GED-0301, sales of OTEZLA®, 2017 and 2020 fiscal guidance, the new drug application for Ozanimod, and the promotion and marketing of REVLIMID®. The plaintiff has agreed to stay the defendants' obligation to answer or otherwise respond to the allegations in the complaint in deference to the Celgene Securities Class Actions and subject to thirty days' notice by either plaintiff or defendants of an intent to proceed.

**Celgene Corporation v. Lotus Pharmaceutical Co Ltd et al**
Case began on 07/10/2018

On July 10, 2018, Celgene filed another infringement action against Lotus in the U.S. District Court for the District of New Jersey. The patents-in-suit are U.S. Patent Nos. 7,977,357; 8,193,219 and 8,431,598, which are patents that are not listed in the Orange Book. On March 29, 2019, we settled all outstanding claims in the litigation with Lotus. Pursuant to the settlement, Celgene agreed to provide Lotus with a license to Celgene's patents required to manufacture and sell certain volume-limited amounts of generic lenalidomide in the United States beginning on a confidential date that is some time after the March 2022 volume-limited license date that were previously provided to Natco.

**Celgene Corporation v. Synthon Pharmaceuticals Inc et al**
Case began on 06/19/2018

In response to the Synthon Notice Letter, Celgene Corp timely filed an infringement action against Synthon in the U.S. District Court for the District of New Jersey on June 19, 2018. As a result of the filing of Celgene's actions, the FDA cannot grant final approval of Synthon's ANDA at least until the earlier of (i) a final decision that each of the patents is invalid, unenforceable, and/or not infringed, and (ii) November 7, 2020. On July 16, 2018, Synthon filed an answer and counterclaims asserting that each of the patents asserted in the complaint is invalid and/or not infringed.

**Humana Inc v. Celgene Corporation**
Case began on 06/13/2018

On May 16, 2018, Humana filed a lawsuit against Celgene Corp in the Pike County Circuit Court of the Commonwealth of Kentucky. Humana's complaint alleges Celgene engages in unlawful off-label marketing in connection with sales of THALOMID® and REVLIMID® and asserts claims against Celgene for fraud, breach of contract, negligent misrepresentation, unjust enrichment, and violations of New Jersey's Racketeer Influenced and Corrupt Organizations Act. The complaint seeks, among other things, treble and punitive damages, injunctive relief and attorneys' fees and costs. On June 13, 2018, Celgene removed Humana's lawsuit to the U.S. District Court for the Eastern District of Kentucky and, on July 11, 2018, filed a motion to dismiss Humana's complaint in full. On July 12, 2018, Humana moved to remand the case to state court.

**Celgene Corporation v. Cipla Limited**
Case began on 05/08/2018

On May 8, 2018, Celgene Corporation filed another infringement action against Cipla Ltd. in the U.S. District Court for the District of New Jersey. The patents-in-suit are U.S. Patent Nos. 7,977,357; 8,193,219 and 8,431,598, which are patents that are not listed in the Orange Book. Cipla filed its answer and counterclaims on July 16, 2018 asserting that each of the patents is invalid and/or not infringed. Celgene filed its reply to Cipla's counterclaims on August 20, 2018.

**Celgene Corp v. Zydus Pharmaceuticals USA Inc et al**
Case began on 04/27/2018

On April 27, 2018, Celgene filed another infringement action against Zydus in the U.S. District Court for the District of New Jersey. The patents-in-suit are U.S. Patent Nos. 7,977,357; 8,193,219 and 8,431,598, which are patents that are not listed in the Orange Book. Zydus filed its answer on July 9, 2018 asserting that each of the patents is invalid and/or not infringed. Fact discovery is set to close on August 30, 2019. The court has yet to enter a schedule for expert discovery and trial.

**Celgene Corporation v. Dr Reddy's Laboratories ltd et al**
Case began on 04/12/2018

Celgene Corporation received another Notice Letter from Dr Reddy's Laboratories dated February 26, 2018 notifying Celgene of additional Paragraph IV certifications against U.S. Patent Nos. 6,315,720; 6,561,977; 6,755,784; 8,315,886; and 8,626,531 that are listed in the Orange Book for REVLIMID®. In response to the Notice Letter, Celgene timely filed an infringement action against Dr Reddy's Laboratories in the U.S. District Court for the District of New Jersey on April 12, 2018. As a result of the filing of Celgene's action, the FDA cannot grant final approval of Dr Reddy's Laboratories' ANDA until the earlier of a final decision that each of the patents is invalid, unenforceable, and/or not infringed, and August 27, 2020. Dr Reddy's Laboratories filed an amended answer and counterclaims on May 31, 2018 asserting that each of the patents is invalid and/or not infringed. Celgene filed its reply to Dr Reddy's Laboratories' counterclaims on June 28, 2018.

**In Re Celgene Corporation Inc Securities Litigation**
Case began on 03/29/2018

On March 29, 2018, the City of Warren General Employees Retirement System filed a putative class action against us and certain of our officers in the U.S. District Court for the District of New Jersey. The complaint alleges that the defendants violated federal securities laws by making misstatements and/or omissions concerning (1) trials of GED-0301, (2) 2020 outlook and projected sales of OTEZLA®, and (3) the new drug application for Ozanimod. On May 3, 2018, a similar putative class action lawsuit against us and certain of our officers was filed by Charles H. Witchcoff in the U.S. District Court for the District of New Jersey. The complaint alleges that defendants violated federal securities laws by making material misstatements and/or omissions concerning (1) trials of GED-0301, (2) 2020 outlook and projected sales of OTEZLA®, and (3) the new drug application for Ozanimod. On September 27, 2018, the court consolidated the two actions and appointed a lead plaintiff, lead counsel, and co-liaison counsel for the putative class.

**Sembhi v. Juno Therapeutics Inc et al**
Case began on 02/13/2018

Plaintiffs allege that defendants violated Sections 14(d), 14(e) and 20(a) of the Securities and Exchange Act of 1934 (the Exchange Act) and also allege that defendants breached their fiduciary duty as a result of Defendants efforts to sell the Company to Celgene Corporation and Blue Magpie Corporation as a result of an unfair process for an unfair price. Plaintiffs seek to enjoin a tender offer in which Celgene will acquire each outstanding share of Juno common stock for $87.00 per share in cash, with a total valuation of approximately $9 billion. According to the complaint, on January 16, 2018, Juno filed a Solicitation/Recommendation Statement on February 2, 2018 (the 14D-9) with the Securities and Exchange Commission that supported the Proposed Transaction. The 14D-9 allegedly describes an insufficient sales process in which Celgene, already owner of 9.7% of all outstanding Juno stock, was shown significant favoritism by the Board. The case was voluntarily dismissed on February 27, 2018.

**Celgene Corporation v. Apotex Inc**
Case began on 01/11/2018

Celgene received a Notice Letter dated November 28, 2017 from Apotex Inc. notifying Celgene of Apotex s ANDA, which contains Paragraph IV certifications against U.S. Patent Nos. 6,315,720; 6,561,977; 6,755,784; 7,456,800; 7,468,363; 7,855,217; 8,315,886; 8,626,531; and 8,741,929 that are listed in the Orange Book for REVLIMID®. Apotex is seeking to manufacture and market a generic version of 2.5mg, 5mg, 10mg, 15mg, 20mg, and 25mg REVLIMID® (lenalidomide) capsules in the United States. In response to the Notice Letter, Celgene timely filed an infringement action against Apotex in the United States District Court for the District of New Jersey on January 11, 2018. As a result of the filing of our action, the FDA cannot grant final approval of Apotex s ANDA until at least the earlier of a final decision that each of the patents is invalid, unenforceable, and/or not infringed; or May 29, 2020. On April 2, 2018, Apotex responded to the complaint by filing a motion to dismiss the case for failure to join a necessary party. Celgene filed its response on May 21, 2018. On August 15, 2018, the parties submitted a proposed stipulation resolving the motion to dismiss.

**Juno Therapeutics Inc et al v. Kite Pharma Inc**
Case began on 10/18/2017

On September 1, 2017, Juno Therapeutics Inc. filed a complaint against Kite Pharma Inc. in the federal district court for the Central District of California for infringement and declaratory judgment of infringement of U.S. Patent No. 7,446,190. The complaint alleges that KTE-C19 infringes claims 1-3, 5, 7-9, and 11 of the '190 Patent, based in part on Kite Pharma s manufacturing and stockpiling of KTE-C19 retroviral vector intended for commercial use. On November 22, 2017, Juno Therapeutics filed a Notice of Voluntary Dismissal, and the case was dismissed without prejudice on November 27, 2017. On October 18, 2017, the same day the FDA approved Kite Pharma s Yescarta KTE-C19 product, Juno Therapeutics filed a second complaint against Kite Pharma in the federal district court for the Central District of California. The complaint alleges that Yescarta infringes claims 1-3, 5, 7-9, and 11 of the '190 Patent. Juno Therapeutics are seeking, among other things, a judgment that Kite Pharma has infringed these claims of the '190 Patent based on its commercialization of Yescarta. On December 22, 2017, Kite Pharma filed a motion to stay the litigation pending the resolution of the Federal Circuit appeal of the Final Written Decision in the inter partes review of the 190 Patent, and pending the Supreme Court s decision in Oil States Energy Services, LLC v. Green s Energy Group, LLC, No. 16-712, regarding the constitutionality of inter partes review proceedings. On March 8, 2018, the court granted Juno s motion to dismiss and strike, and ordered Kite to file an amended answer and counterclaims. On the same day, the court denied Kite s motion to stay. On March 29, 2018, Kite filed an amended answer and counterclaims, asserting that the 190 Patent is invalid and/or not infringed. The court has set a trial date of December 2019 for this lawsuit.

**Celgene Corporation v. Lotus Pharmaceutical Co Ltd et al**

Case began on 09/06/2017

Celgene received a Notice Letter dated July 24, 2017 from Lotus Pharmaceutical Co., Inc. (Lotus) notifying Celgene of Lotus's ANDA which contains Paragraph IV certifications against U.S. Patent Nos. 5,635,517; 6,315,720; 6,561,977; 6,755,784; 7,189,740; 7,456,800; 7,855,217; 7,968,569; 8,315,886; 8,404,717; 8,530,498; 8,626,531; 8,648,095; 9,056,120; 9,101,621; and 9,101,622 that are listed in the Orange Book for REVLIMID®. Lotus is seeking to manufacture and market a generic version of 2.5mg, 5mg, 10mg, 15mg, 20mg, and 25mg REVLIMID® (lenalidomide) capsules in the United States. In response to the Notice Letter, Celgene timely filed an infringement action against Lotus in the United States District Court for the District of New Jersey on September 6, 2017. As a result of the filing of Celgene's action, the FDA cannot grant final approval of Lotus's ANDA until the earlier of a final decision that each of the patents is invalid, unenforceable, and/or not infringed; or January 25, 2020. On October 5, 2017, Lotus filed an answer and counterclaims asserting that each of the patents are invalid and/or not infringed. Celgene filed its reply to Lotus's counterclaims on November 9, 2017.

**City of Hope v. Juno Therapeutics Inc**

Case began on 08/22/2017

On August 22, 2017, City of Hope filed a lawsuit against Juno Therapeutics Inc., City of Hope v. Juno Therapeutics, Inc., Case No. 2:17-cv-06201-RGK, in the federal district court for the Central District of California. The complaint alleges that Juno Therapeutics has materially breached its exclusive license agreement with City of Hope by failing to seek consent for an alleged sublicense of Juno Therapeutics' rights under such license to Celgene, and by failing to pay fees owed in connection with that alleged sublicense. In its request for relief, City of Hope seeks compensatory damages in an amount "no less than 15% of all consideration received by [the Company] pursuant to the [Celgene] Collaboration Agreement, [Celgene] Share Purchase Agreement, and Celgene Option Exercise," i.e., the Celgene CD19 License. The complaint also seeks a declaratory judgment that Juno Therapeutics materially breached the City of Hope license. On August 31, 2017, Juno Therapeutics filed an answer and counterclaim in the lawsuit, denying City of Hope's allegations of breach of contract, asserting several affirmative defenses, and bringing various counterclaims, including claims for breach of contract and breach of the covenant of good faith and fair dealing, and seeking, among other things, a declaratory judgment that City of Hope has no grounds to terminate the City of Hope license. City of Hope filed an amended complaint on September 21, 2017, seeking a further declaration that the City of Hope license has terminated, which Juno answered on October 5, 2017. On January 10, 2018,Juno Therapeutics moved to amend its counterclaims, seeking to file an additional counterclaim against City of Hope for breach of contract and a counterclaim against a third-party, Mustang Bio, Inc., for tortious interference with contract. In July 2018, Juno and COH entered into a confidential settlement agreement dismissing the lawsuit and reinstating the ELA.

**Celgene Corporation v. CIPLA Limited**

Case began on 08/15/2017

Celgene Corp. received a Notice Letter dated June 30, 2017 from Cipla LTD, India (Cipla) notifying Celgene of Cipla's ANDA which contains Paragraph IV certifications against U.S. Patent Nos. 7,456,800; 7,855,217; 7,968,569; 8,530,498; 8,648,095; 9,101,621; and 9,101,622 that are listed in the Orange Book for REVLIMID®. Cipla is seeking to manufacture and market a generic version of 5mg, 10mg, 15mg, 20mg, and 25mg REVLIMID® (lenalidomide) capsules in the United States. In response to the Notice Letter, on August 15, 2017, Celgene timely filed an infringement action against Cipla in the United States District Court for the District of New Jersey. As a result of the filing of our action, the FDA cannot grant final approval of Cipla's ANDA until the earlier of a final decision that each of the patents is invalid, unenforceable, and/or not infringed; or January 5, 2020. On October 13, 2017, DRL filed an answer and counterclaims asserting that each of the patents are invalid and/or not infringed. Celgene filed our reply to Cipla's counterclaims on November 17, 2017.

**Celgene Corporation v. Dr Reddys Laboratories Ltd et al**

Case began on 07/20/2017

Celgene subsequently received an additional Notice Letter from Dr Reddys Laboratories dated June 8, 2017 notifying Celgene of additional Paragraph IV certifications against U.S. Patent Nos. 7,189,740; 8,404,717; and 9,056,120 that are listed in the Orange Book for REVLIMID®. In response to the Notice Letter, Celgene timely filed an infringement action against Dr Reddys Laboratories in the United States District Court for the District of New Jersey on July 20, 2017. As a result of the filing of Celgene's action, the FDA cannot grant final approval of Dr Reddys Laboratories' ANDA until the earlier of a final decision that each of the patents is invalid, unenforceable, and/or not infringed; or (ii) December 9, 2019. On October 3, 2017, Dr Reddys Laboratories filed an answer and counterclaims asserting that each of the patents are invalid and/or not infringed. Celgene filed its reply to Dr Reddys Laboratories' counterclaims on November 15, 2017.

**Celgene Corp v. Hetero Labs Limited et al**

Case began on 05/11/2017

Celgene received a Notice Letter dated March 30, 2017 from Teva Pharmaceuticals USA, Inc. (Teva) notifying them of Teva's ANDA submitted to the FDA that contains Paragraph IV certifications against U.S. Patent Nos. 6,316,471; 8,198,262; 8,673,939; 8,735,428; and 8,828,427 that are listed in the Orange Book. Teva is seeking to manufacture and market a generic version of 1 mg, 2 mg, 3 mg, and 4 mg POMALYST® (pomalidomide) capsules in the United States. Celgene later received similar Notice Letters (the Pomalidomide Notice Letters) from six other generic drug manufacturers - Par Pharmaceutical, Inc. (Par); Apotex, Inc. (Apotex); Hetero USA, Inc. (Hetero); Aurobindo Pharma Ltd. (Aurobindo); Mylan Pharmaceuticals Inc. (Mylan); and Breckenridge Pharmaceutical, Inc. (Breckenridge) - relating to these and other POMALYST® patents listed in the Orange Book. In response to the Pomalidomide Notice Letters, Celgene timely filed an infringement actions in the United States District Court for the District of New Jersey against Teva and Par on May 4, 2017 and against Apotex, Hetero, Aurobindo, Mylan, and Breckenridge on May 11, 2017. As a result of the filing of these actions, the FDA cannot grant final approval of these ANDAs at least until the earlier of (i) a final decision that each of the patents is invalid, unenforceable, and/or not infringed; or (ii) August 8, 2020. On July 13, 2017, Apotex and Hetero each filed answers and counterclaims asserting that the patents-in-suit are invalid and/or not infringed, and further seeking declaratory judgments of noninfringement and invalidity for additional Celgene patents listed in the Orange Book, namely U.S. Patent Nos. 6,315,720, 6,561,977, 6,755,784, 8,315,886, and 8,626,531. On August 17, 2017, Celgene filed replies to Apotex's and Hetero's counterclaims, as well as counter-counterclaims against Hetero and Apotex asserting infringement of U.S. Patent Nos. 6,315,720, 6,561,977, 6,755,784, 8,315,886, and 8,626,531. On September 6, 2017, Apotex filed a reply to Celgene's counter-counterclaims. On September 8, 2017, Hetero filed a reply to our counter-counterclaims. On July 31, 2017, Breckenridge filed an answer and counterclaims asserting that each of the patents asserted in the complaint is invalid and/or not infringed. Celgene filed its reply to Breckenridge's counterclaims on September 5, 2017. On December 6, 2017, Breckenridge filed an amended pleading to include counterclaims seeking declaratory judgments of noninfringement and invalidity for additional Celgene patents listed in the Orange Book, namely U.S. Patent Nos. 6,315,720, 6,561,977, 6,755,784, 8,315,886, and 8,626,531. Celgene replied to Breckenridge's amended counterclaims and asserted counter-counterclaims on January 3, 2018. On August 9, 2017, Mylan filed a motion to dismiss the complaint. Celgene opposed Mylan's motion on September 29, 2017. Mylan filed its reply in support of its motion on October 24, 2017. The Court has not yet set a hearing date for this motion. On September 15, 2017, Aurobindo filed an answer and counterclaims asserting that each of the patents is invalid and/or not infringed, and further seeking declaratory judgments of noninfringement and invalidity for additional Celgene patents listed in the Orange Book, namely U.S. Patent Nos. 6,315,720, 6,561,977, 6,755,784, 8,315,886, and 8,626,531. Celgene filed its reply to Aurobindo's counterclaims and counter-counterclaims concerning U.S. Patent Nos. 6,315,720, 6,561,977, 6,755,784, 8,315,886, and 8,626,531 on October 20, 2017. Aurobindo filed its answer to Celgene's counter-counterclaims on November 24, 2017.

**Celgene Corporation v. Par Pharmaceutical Inc et al**

Case began on 05/04/2017

Celgene received a Notice Letter dated March 30, 2017 from Teva Pharmaceuticals USA, Inc. notifying them of Teva's ANDA submitted to the FDA that contains Paragraph IV certifications against U.S. Patent Nos. 6,316,471; 8,198,262; 8,673,939; 8,735,428; and 8,828,427 that are listed in the Orange Book. Teva is seeking to manufacture and market a generic version of 1 mg, 2 mg, 3 mg, and 4 mg POMALYST® (pomalidomide) capsules in the United States. Celgene later received similar Notice Letters (the Pomalidomide Notice Letters) from six other generic drug manufacturers - Par Pharmaceutical, Inc.; Apotex, Inc.; Hetero USA, Inc.; Aurobindo Pharma Ltd.; Mylan Pharmaceuticals Inc.; and Breckenridge Pharmaceutical, Inc.- relating to these and other POMALYST® patents listed in the Orange Book. In response to the Pomalidomide Notice Letters, Celgene timely filed an infringement actions in the United States District Court for the District of New Jersey against Teva and Par on May 4, 2017 and against Apotex, Hetero, Aurobindo, Mylan, and Breckenridge on May 11, 2017. As a result of the filing of these actions, the FDA cannot grant final approval of these ANDAs at least until the earlier of a final decision that each of the patents is invalid, unenforceable, and/or not infringed; or August 8, 2020. On July 24, 2017, Par filed an answer, but did not file any counterclaims. On October 17, 2017, we jointly filed a Stipulation with Par requesting dismissal and stating that Par had converted its Paragraph IV certifications to Paragraph III certifications. The court ordered dismissal on October 20, 2017. On August 7, 2017, Teva filed an answer and counterclaims asserting that each of the patents is invalid and/or not infringed.

**Celgene Corporation v. Zydus Pharmaceuticals (USA) Inc et al**

Case began on 04/12/2017

In response to the Notice Letter, Celgene timely filed an infringement action against Zydus in the United States District Court for the District of New Jersey on April 12, 2017. As a result of the filing of Celgene's action, the FDA cannot grant final approval of Zydus' ANDA at least until the earlier of a final decision that each of the patents is invalid, unenforceable, and/or not infringed; or August 27, 2019. On August 7, 2017, Zydus filed an answer and counterclaims asserting that each of the patents are invalid and/or not infringed. On September 11, 2017, Cengene filed a reply to Zydus's counterclaims.

**Abraxis Bioscience LLC et al v. Cipla Ltd**
Case began on 12/07/2016

On December 8, 2016, Celgene filed an infringement action against Cipla in the United States District Court for the District of New Jersey. As a result of the filing of the action, the FDA cannot grant final approval of Cipla's ANDA until the earlier of a final decision that each of the patents is invalid, unenforceable, and/or not infringed; or April 25, 2019. On January 20, 2017, Cipla filed an answer and counterclaims asserting that each of the patents is invalid and/or not infringed. In September 2018, Celgene entered into a settlement with Cipla to terminate this patent litigation. As part of the settlement, the parties filed a Consent Judgment with the U.S. District Court for the District of New Jersey, which was entered on October 9, 2018, enjoining Cipla from marketing generic paclitaxel protein-bound particles for injectable suspension before expiration of the patents-in-suit, except as provided for in the settlement. In the settlement, Celgene agreed to provide Cipla with a license to its patents required to manufacture and sell a generic paclitaxel protein-bound particles for injectable suspension product in the United States beginning on September 27, 2022.

**Celgene Corporation v. Dr Reddys Laboratories Inc**
Case began on 10/20/2016

On October 20, 2016, Celgene filed an infringement action against Dr Reddys Laboratories in the United States District Court for the District of New Jersey. As a result of the filing of the action, the FDA cannot grant final approval of Dr Reddys Laboratories' ANDA until the earlier of a final decision that each of the patents is invalid, unenforceable, and/or not infringed; or March 9, 2019. On November 18, 2016, Dr Reddys Laboratories filed an answer and counterclaims asserting that the patents-in-suit are invalid and/or not infringed. On December 27, 2016, Celgene filed a reply to Dr Reddys Laboratories' counterclaims.

**Veljanoski v. Juno Therapeutics Inc et al**
Case began on 07/12/2016

Two putative securities class action complaints were filed against Juno Therapeutics Inc. and Juno Therapeutics's chief executive officer, Hans Bishop, in the United States District Court for the Western District of Washington under the following captions: Goce Veljanoski, etc. v. Juno Therapeutics, et al., No. 2:16-CV-01069 on July 12, 2016 (the "Veljanoski Complaint") and Jiayi Wan, etc. v. Juno Therapeutics, et al., No. 2:16-CV-01083 on July 13, 2016 (the "Wan Complaint"). The putative class in both the Veljanoski Complaint and the Wan Complaint is composed of all purchasers of Juno Therapeutics' securities between June 4, 2016 and July 7, 2016, inclusive. The Veljanoski Complaint alleges material misrepresentations and omissions in public statements regarding patient deaths in Juno Therapeutics' Phase II clinical trial of JCAR015. The Veljanoski Complaint alleges that these public statements constituted violations by all named defendants of Section 10(b) of the Exchange Act, and Rule 10b-5 thereunder, as well as violations of Section 20(a) of the Exchange Act by the individual defendant. The Wan Complaint makes allegations and claims that are substantially identical to those in the Veljanoski Complaint, and both complaints seek compensatory damages of an undisclosed amount. On June 28, 2018, the parties filed a proposed Order stipulating that they had agreed in principle to a Settlement of this action. On August 2, 2018, the parties entered into a Stipulation of Settlement for $24,000,000 in cash. On November 20, 2018, the Court entered a Judgment and Order granting final approval of the class action settlement.

**Abraxis Bioscience LLC et al v. Actavis LLC**
Case began on 04/06/2016

Celgene received a Notice Letter dated February 23, 2016 from Actavis LLC (Actavis) notifying the company of Actavis's ANDA which contains Paragraph IV certifications against U.S. Patent Nos. 7,820,788; 7,923,536; 8,138,229; and 8,853,260 that are listed in the Orange Book for ABRAXANE®. Actavis is seeking to manufacture and market a generic version of ABRAXANE® (paclitaxel protein-bound particles for injectable suspension) (albumin bound) 100 mg/vial. On April 6, 2016, Celgene filed an infringement action against Actavis in the United States District Court for the District of New Jersey. As a result of the filing of Celgene's action, the FDA cannot grant final approval of Actavis's ANDA until the earlier of (i) a final decision that each of the patents is invalid, unenforceable, and/or not infringed; or (ii) August 24, 2018. On May 3, 2016, Actavis filed an answer and counterclaims asserting that the patents-in-suit are invalid and/or not infringed and Celgene filed a reply to Actavis's counterclaims on June 10, 2016. In January 2018, Celgene entered into a settlement with Actavis to terminate patent litigation and Inter Partes Review (IPR) challenges between the parties relating to certain patents for ABRAXANE®. As part of the settlement, the parties filed a Consent Judgment with the United States District Court for the District of New Jersey, which was entered on January 26, 2018, enjoining Actavis from marketing generic paclitaxel protein-bound particles for injectable suspension before expiration of the patents-in-suit, except as provided for in the settlement. In the settlement, Celgene has agreed to provide Actavis with a license to Celgene's patents required to manufacture and sell its generic paclitaxel protein-bound particles for injectable suspension product in the United States beginning on March 31, 2022.

**Celgene Corporation et al v. Teva Pharmaceuticals USA Inc**
Case began on 12/10/2015

On October 30, 2015, Celgene received a Notice Letter from Teva notifying Celgene of Teva's New Drug Application pursuant to FDC Act § 505(b)(3)(D)(i) seeking approval to engage in the commercial manufacture, use or sale of romidepsin for injection. The Notice Letter contains Paragraph IV certifications against the '280 and '724 patents. On December 10, 2015, Celgene and Astellas filed an infringement action in the United States District Court for the District of Delaware against Teva. As a result of the filing of the action, the FDA cannot grant final approval of Teva's NDA until the earlier of (i) a final decision that each of the patents is invalid and/or not infringed; or (ii) April 30, 2018. Celgene and Teva have reached an agreement to settle all pending claims and counterclaims. Under the terms of the settlement agreement, which is pending approval by the court, the parties have stipulated to dismiss the case and Celgene will provide to Teva a non-exclusive, royalty-free sublicense to manufacture and market generic product, as well as the right to sell an authorized generic product as of August 1, 2018. The settlement agreement has been submitted to the Federal Trade Commission for review.

**Celgene Corporation et al v. Teva Pharmaceuticals USA Inc**
Case began on 07/10/2015

On July 10, 2015, Celgene and Astellas filed an infringement action in the United States District Court for the District of Delaware against Teva. Teva has not yet responded. As a result of the filing of Celgene's action, the FDA cannot grant final approval of Teva's ANDA until the earlier of (i) a final decision that each of the patents is invalid and/or not infringed; or (ii) November 28, 2017. Celgene and Teva have reached an agreement to settle all pending claims and counterclaims. Under the terms of the settlement agreement, which is pending approval by the court, the parties have stipulated to dismiss the case and Celgene will provide to Teva a non-exclusive, royalty-free sublicense to manufacture and market generic product, as well as the right to sell an authorized generic product as of August 1, 2018. The settlement agreement has been submitted to the Federal Trade Commission for review

**Celgene Corporation et al v. Lannett Holdings Inc et al**
Case began on 01/30/2015

On January 30, 2015, Celgene Corporation and Children's Medical Center Corporation filed a patent infringement lawsuit in the United States District Court for the District of New Jersey, alleging that Lannett's filing of ANDA No. 206601 constitutes an act of patent infringement and seeking a declaration that the patents at issue are valid and infringed. A mediation before a magistrate judge was held on March 9, 2017. On October 24, 2017, Celgene entered into an agreement with Lannett to settle all outstanding claims in the litigation. Celgene has agreed to provide Lannett with a license to Celgene's patents required to manufacture and sell generic thalidomide in the United States beginning on August 1, 2019. Lannett's ability to market thalidomide in the U.S. will be contingent on obtaining approval of its ANDA. A Stipulation and Order of Dismissal was filed on October 30, 2017.

**International Union of Bricklayers & Allied Craft Workers Local 1 Health Fund v. Celgene Corp**
Case began on 11/07/2014

On November 7, 2014, the International Union of Bricklayers and Allied Craft Workers Local 1 Health Fund (IUB) filed a putative class action lawsuit against Celgene Corp in the United States District Court for the District of New Jersey alleging that the defendant violated various state antitrust, consumer protection, and unfair competition laws by allegedly securing an exclusive supply contract with Seratec S.A.R.L. so that Barr Laboratories (Barr who at one time held an ANDA for THALOMID®) allegedly could not secure its own supply of thalidomide active pharmaceutical ingredient; allegedly refusing to sell samples of their THALOMID® and REVLIMID® brand drugs to Mylan Pharmaceuticals, Lannett Company, and Dr. Reddy's Laboratories so that those companies could conduct the bioequivalence testing needed to submit ANDAs to the FDA for approval to market generic versions of these products; and allegedly bringing unjustified patent infringement lawsuits against Barr and Natco Pharma Limited in order to allegedly delay those companies from obtaining approval for proposed generic versions of THALOMID® and REVLIMID®. IUB, on behalf of itself and a putative class of third party payors, is seeking injunctive relief and damages. On June 14, 2017, a new complaint was filed by the same counsel representing the plaintiffs in the IUB case, making similar allegations and adding three new plaintiffs - International Union of Operating Engineers Stationary Engineers Local 39 Health and Welfare Trust Fund (Local 39), The Detectives Endowment Association, Inc. (DEA) and David Mitchell. Plaintiffs added allegations that our settlements of patent infringement lawsuits against certain generic manufacturers have had anticompetitive effects. Counsel identified the new complaint as related to the IUB and Providence cases and, on August 1, 2017, filed a consolidated amended complaint on behalf of IUB, Providence, Local 39, DEA, and Mitchell.

**Celgene Corporation et al v. InnoPharma Inc**
Case began on 09/12/2014

On April 30, 2014, Celgene and Astellas Pharma Inc. (Astellas), filed an infringement action in the United States District Court for the District of Delaware against Fresenius. In its answer and counterclaim, Fresenius asserts that the ¿280 and ¿724 patents are invalid and/or not infringed by its proposed generic products. As a result of the filing of Celgene¿s action, the FDA cannot grant final approval of Fresenius¿s ANDA until the earlier of (i) a final decision that each of the patents is invalid and/or not infringed; or (ii) May 5, 2017.n August 4, 2014, Celgene received a Notice Letter from InnoPharma, Inc. (InnoPharma) notifying us of Innopharma's ANDA that seeks approval from the FDA to market a generic version of romidepsin for injection. The Notice Letter contains Paragraph IV certifications against U.S. Patent Nos. 7,608,280 and 7,611,724 (the '280 and '724 patents) that are listed in the Orange Book for ISTODAX®. On September 12, 2014, Celgene and Astellas Pharma Inc., filed an infringement action in the United States District Court for the District of Delaware against InnoPharma. InnoPharma has not yet answered the complaint. As a result of the filing of the action, the FDA cannot grant final approval of InnoPharma's ANDA until the earlier of (i) a final decision that each of the patents is invalid and/or not infringed; or (ii) May 5, 2017. These two cases were consolidated in December 2014. Fact discovery is set to close in the consolidated cases on November 6, 2015. A claim construction hearing is scheduled for October 16, 2015. Expert discovery in the consolidated cases is set to close on July 13, 2016 and trial is scheduled to begin on September 19, 2016.

**Celgene Corp v. Natco Pharma Limited et al**
Case began on 05/15/2014

Celgene received a third Notice Letter from Natco dated April 3, 2014, notifying us of Natco¿s Paragraph IV certifications against five patents, including United States Patent Nos. 8,404,717 (already in suit), 8,530,498; 8,589,188; 8,626,531; and 8,648,095. On May 15, 2014, Celgene filed an infringement action in the United States District Court for the District of New Jersey against Natco, Arrow and Watson. Natco filed its answer and counterclaim on June 13, 2014, and asserts that Celgene's patents are invalid, unenforceable and/or not infringed by Natco¿s proposed generic products. Consent Judgement was order dismissing all claims, counterclaims, affirmative defenses and demands in this action with prejudice and without costs, disbursements or attorneys fees to any party.

**Celgene Corporation et al v. InnoPharma Inc**
Case began on 04/30/2014

On April 30, 2014, Celgene and Astellas Pharma Inc. (Astellas), filed an infringement action in the United States District Court for the District of Delaware against Fresenius. In its answer and counterclaim, Fresenius asserts that the ¿280 and ¿724 patents are invalid and/or not infringed by its proposed generic products. As a result of the filing of Celgene¿s action, the FDA cannot grant final approval of Fresenius¿s ANDA until the earlier of (i) a final decision that each of the patents is invalid and/or not infringed; or (ii) May 5, 2017.

**Mylan Pharmaceuticals Inc v. Celgene Corporation**
Case began on 04/03/2014

On April 3, 2014, Mylan Pharmaceuticals Inc. filed a lawsuit against Celgene Corp. in the United States District Court for the District of New Jersey alleging that Celgene violated various federal and state antitrust and unfair competition laws by allegedly refusing to sell samples of Celgene's THALOMID® and REVLIMID® brand drugs so that Mylan can conduct the bioequivalence testing needed to submit ANDAs to the FDA for approval to market generic versions of these products. Mylan is seeking injunctive relief, damages and declaratory judgment. Celgene filed a motion to dismiss Mylan¿s complaint on May 25, 2014. Mylan filed its opposition to Celgene's motion to dismiss on June 16, 2014. The Federal Trade Commission filed an amicus curiae brief in opposition to Celgene's motion to dismiss on June 17, 2014. On December 22, 2014, the court granted Celgene¿s motion to dismiss Mylan¿s claims based on Section 1 of the Sherman Act (without prejudice), and Mylan's related claims arising under the New Jersey Antitrust Act. The court denied Celgene's motion to dismiss the remaining claims which primarily relate to Section 2 of the Sherman Act. On January 6, 2015, Celgene filed a motion to certify for interlocutory appeal the order denying Celgene's motion to dismiss with respect to the claims relating to Section 2 of the Sherman Act, which appeal was denied by the United State Court of Appeals for the Third Circuit on March 5, 2015. On January 20, 2015, Celgene filed an answer to Mylan¿s complaint. On December 16, 2016, Celgene moved for summary judgment, seeking a ruling that judgment be granted in Celgene's favor on all claims. The mediation was held on January 25, 2018, but no settlement was reached.

**Andrulis Pharmaceuticals Corp v. Celgene Corp**
Case began on 10/02/2013

On October 2, 2013, Andrulis Pharmaceuticals Corporation (Andrulis) filed a lawsuit against Celgene in the United States District Court for the District of Delaware claiming infringement of U.S. Patent No. 6,140,346 (the 346 patent) entitled Treatment of Cancer with Thalidomide Alone or in Combination with Other Anti-Cancer Agents. Andrulis alleges that Celgene directly infringed, induced infringement of and/or contributed to infringement of one or more claims of the 346 patent, by making, using and selling THALOMID® and REVLIMID® in combination with an alkylating agent, e.g., melphalan, to treat cancers. Andrulis is seeking an unspecified amount of damages, attorneys fees and injunctive relief with respect to the claimed combination. Celgene is required to respond to the complaint on or before November 25, 2013. On January 30, 2014, Celgene filed a motion to dismiss Andrulis amended complaint. On April 11, 2014, the court denied the motion in part and granted our motion in part, dismissing two of Andrulis' four infringement claims without leave to amend. Celgene filed an answer to the remaining claims on April 25, 2014. In February 2015, Celgene filed a partial summary judgment motion. The court held hearings on claim construction and on the partial summary judgment motion on May 27, 2015 and May 28, 2015, respectively. On June 26, 2015, the court issued its claim construction ruling and held that certain claim terms were indefinite. On July 10, 2015, the parties jointly submitted a proposed order for entry of final judgment in favor of Celgene based on the court s indefiniteness ruling.

**Children's Medical Center Corporation v. Celgene Corporation**
Case began on 07/02/2013

On June 7, 2013, Children's Medical Center Corporation (CMCC) filed a lawsuit against us in the Superior Court of the Commonwealth of Massachusetts. CMCC alleges that our obligation under a license agreement relating to certain thalidomide analog patents entered into in December 2002 to pay a 1% royalty on REVLIMID® net sales revenue and a 2.5% royalty on POMALYST® net sales revenue extends beyond February 28, 2013 and that our failure to make royalty payments to CMCC with respect to REVLIMID® and POMALYST® subsequent to February 28, 2013 breached the license agreement. We disagree with CMCC's allegations. CMCC is seeking an unspecified amount of damages and a declaration that the license agreement remains in full force and effect. In July 2013, we removed these proceedings to the Federal District Court for the District of Massachusetts.

**Ivax LLC v. Celgene Corporation**
Case began on 09/28/2012

On September 28, 2012, Celgene was named as a defendant in a complaint filed by Ivax LLC (formerly Ivax Corporation) in the United States District Court for the Southern District of Florida. Ivax LLC alleges that Celgene has infringed the claims of United States Patent No. 7,759,481 by making, using, and selling VIDAZA® brand drug in the United States. On October 19, 2012, Celgene filed an answer to this complaint and filed a counterclaim asserting that the 481 patent was invalid and unenforceable. Celgene filed a motion for judgment on the pleadings on November 15, 2012, to which Ivax LLC filed an opposition on December 7, 2012. On March 7, 2013 the Court granted in part and denied in part Celgene's motion for judgment on the pleadings. Specifically, the Court dismissed Ivax s complaint without prejudice and ordered Ivax to (i) either file an amended complaint with all necessary factual allegations or (ii) file dismissal papers by March 15, 2013. The Court denied Celgene's motion for judgment on the pleadings with respect to our counterclaim. On March 13, 2013 Ivax filed an amended complaint. On March 28, 2013 Celgene's filed an answer and invalidity counterclaim in response to Ivax s amended complaint. A trial date of July 14, 2014 is currently scheduled. At Celgene's request, the Court has ordered that discovery shall be phased to focus on a threshold issue relating to the potential invalidity of the patent. The case was dismissed with prejudice on January 2, 2014.

**Cephalon Inc et al v. Celgene Corp et al**
Case began on 12/14/2011

On December 14, 2011, Cephalon, Inc. and Acusphere, Inc. filed a complaint against Celgene Corp in the United States District Court for the District of Massachusetts, alleging, among other things, that the making, using, selling, offering to sell, and importing of ABRAXANE® brand drug infringes claims of United States Patent No. RE40.493. Plaintiffs are seeking damages and injunctive relief. Pursuant to the agreement of the parties, discovery will proceed only with respect to claim construction. A hearing regarding the disputed claims of the patent occurred on August 29, 2013. The court has not yet ruled on the disputed claims. After the Court s ruling on the disputed claims, discovery on all other issues will proceed. Celgene intends to vigorously defend against this infringement suit. If the suit against Celgene is successful, it may have to pay damages, ongoing royalties and may have to license rights from plaintiffs.

**Eddins v. Celgene Corporation**

Case began on 08/17/2011

In 2009, Celgene received a Civil Investigative Demand (CID) from the U.S. Federal Trade Commission (FTC) seeking documents and other information relating to requests by generic companies to purchase the company's patented REVLIMID® and THALOMID® brand drugs in order for the FTC to evaluate whether there may be reason to believe that Celgene has engaged in unfair methods of competition relating to requests by generic companies to purchase their patented REVLIMID® and THALOMID® brand drugs. In 2010, the State of Connecticut issued a subpoena referring to the same issues raised by the 2009 CID. Also in 2010, Celgene received a second CID from the FTC relating to this matter. In 2011, the United States Attorney's Office for the Central District of California informed Celgene that they are investigating possible off-label marketing and improper payments to physicians in connection with the sales of THALOMID® and REVLIMID®. In 2012, Celgene learned that two other United States Attorneys' offices (the Northern District of Alabama and the Eastern District of Texas) and various state Attorneys General were conducting related investigations. In February 2014, three civil qui tam actions related to those investigations brought by three former Celgene employees on behalf of the federal and various state governments under the False Claims Act and certain state laws, were unsealed after the United States Department of Justice (DOJ) declined to intervene in these actions. The DOJ maintains the right to intervene at any time. The three actions are as follows: (i) United States of America ex rel. James Patrick Eddins, Plaintiff/Relator v. Celgene Corporation, Defendant, United States District Court for the Northern District of Alabama (the "Northern District of Alabama action"), (ii) David Schmidt, by and on behalf of the United States of America and various States, ex rel. Plaintiff/Relator v. Celgene Corporation, Defendant, United States District Court for the Eastern District of Texas, and (iii) United States of America and various States, ex rel. Beverly Brown Plaintiff/Relator v. Celgene Corporation, Defendant, United States District Court for the Central District of California. The plaintiff in the Northern District of Alabama action voluntarily dismissed that case.

**Celgene Corporation v. Natco Pharma Limited**

Case began on 10/08/2010

Celgene ("the Company") publicly announced that they received a notice letter dated August 30, 2010, sent from Natco Pharma Limited of India (Natco) notifying the company of a Paragraph IV certification alleging that patents listed for REVLIMID® in the Orange Book are invalid, and/or not infringed (the Notice Letter). The Notice Letter was sent pursuant to Natco having filed an ANDA seeking permission from the FDA to market a generic version of 25mg, 15mg, 10mg and 5mg capsules of REVLIMID®. Under the federal Hatch-Waxman Act of 1984, any generic manufacturer may file an ANDA with a certification (a Paragraph IV certification) challenging the validity or infringement of a patent listed in the FDA's Approved Drug Products With Therapeutic Equivalence Evaluations (the Orange Book) four years after the pioneer company obtains approval of its New Drug Application, or an NDA. On October 8, 2010, Celgene filed an infringement action in the United States District Court of New Jersey against Natco in response to the Notice Letter with respect to United States Patent Nos. 5,635,517 (the '517 patent), 6,045,501 (the '501 patent), 6,281,230 (the '230 patent), 6,315,720 (the '720 patent), 6,555,554 (the '554 patent), 6,561,976 (the '976 patent), 6,561,977 (the '977 patent), 6,755,784 (the '784 patent), 7,119,106 (the '106 patent), and 7,465,800 (the '800 patent). Natco responded to the Company's infringement action on November 18, 2010, with its Answer, Affirmative Defenses and Counterclaims. Natco has alleged (through Affirmative Defenses and Counterclaims) that the patents are invalid, unenforceable and/or not infringed by Natco's proposed generic products. After filing the infringement action, we learned the identity of Natco's U.S. partner, Arrow International Limited (Arrow) and filed an amended complaint on January 7, 2011, adding Arrow as a defendant. On March 25, 2011, we filed a second amended complaint naming Natco, Arrow and Watson Laboratories, Inc. (Watson, a wholly-owned subsidiary of Actavis, Inc. (formerly known as Watson Pharmaceuticals, Inc.), which is Arrow's parent) as defendants. Those three entities remain the current defendants in that action. On June 12, 2012, Celgene received a Second Notice Letter from Natco, notifying the Company of Natco's submission in its ANDA of new, additional Paragraph IV certifications against the '517 patent, the '230 patent and United States Patent Nos. 7,189,740 (the '740 patent), 7,855,217 (the '217 patent) and 7,968,569 (the '569 patent). On July 20, 2012, the Company filed a new infringement action in the United States District Court of New Jersey against Natco, Arrow and Watson in response to the Second Notice Letter with respect to the '517 patent, the '230 patent, the '740 patent and the '569 patent, as well as two non-Orange Book listed patents, United States Patent Nos. 7,977,357 (the '357 patent) and 8,193,219 (the '219 patent). That action was consolidated with the original action. Natco filed its Answer and Counterclaims on September 28, 2012. Natco's counterclaims in the second action are similar to its counterclaims in the first action. In the second action, Natco added counterclaims against United States Patent No. 8,204,763 (the '763 patent), which the Company have not asserted against Natco. The Company moved to dismiss those counterclaims related to the '763 patent for lack of subject matter jurisdiction and Natco withdrew its counterclaims after the Court ordered jurisdictional discovery. On March 14, 2013, the Company received a Third Notice Letter from Natco notifying Celgene of Natco's submission in its ANDA of new, additional Paragraph IV certifications against United States Patent Nos. 8,288,415 (the '415 patent) and 8,315,886 (the '886 patent). On March 22, 2013, Celgene filed a Third Amended Complaint in the original action in the United States District Court of New Jersey against Natco, Arrow and Watson in response to the Third Notice Letter regarding the '415 and '886 patent. Natco filed its Answer and Counterclaims on April 8, 2013. Natco's counterclaims in response to the Third Amended Complaint are similar to its counterclaims in the two previous actions. On April 16, 2013, Celgene filed a Fourth Amended Complaint in the original action, in the United States District Court of New Jersey, which asserts another recently issued patent, United States Patent No. 8,404,717, against Natco, Arrow and Watson. Natco filed its Answer and Counterclaims on May 2, 2013. Natco's counterclaims in response to the Fourth Amended Complaint are similar to its counterclaims in the three previous actions. On May 6, 2013, the Company filed a Fifth Amended Complaint in the original action in the United States District Court of New Jersey, which asserts another recently issued patent, United States Patent No. 8,431,598, against Natco, Arrow and Watson. Natco filed its Answer and Counterclaims on May 23, 2013. Natco's counterclaims in response to the Fifth Amended Complaint are similar to its counterclaims in the four previous actions. A claim construction decision was issued on May 27, 2014, and fact discovery closed on August 4, 2014. On November 18, 2014, the court granted-in-part Natco's motion to amend its invalidity contentions, and denied Celgene's appeal of that decision on July 9, 2015. On December 22, 2015, Celgene announced the settlement of the litigations with Natco. As part of the settlement, the parties filed Consent Judgments with the District Court that enjoin Natco from marketing generic lenalidomide before the April 2027 expiration of Celgene's last-to-expire patent listed in the Orange Book for REVLIMID®. Celgene agreed to provide Natco with a license to Celgene's patents required to manufacture and sell an unlimited quantity of generic lenalidomide in the United States beginning on January 31, 2026. In addition, Natco will receive a volume-limited license to sell generic lenalidomide in the United States commencing in March 2022. The volume limit is expected to be a mid-single-digit percentage of the total lenalidomide capsules dispensed in the United States during the first year of entry. The volume limitation is expected to increase gradually each 12 months until March 2025, and is not expected to exceed one-third of the total lenalidomide capsules dispensed in the U.S. in the final year of the volume-limited license. Natco's ability to market generic lenalidomide in the U.S. will be contingent on its obtaining approval of an Abbreviated New Drug Application.

**United States of America et al v. Celgene Corporation**

Case began on 04/27/2010

In February 2014, three civil qui tam actions related to those investigations brought by three former Celgene employees on behalf of the federal and various state governments under the federal false claims act and similar state laws were unsealed after the United States Department of Justice (DOJ) declined to intervene in any of these actions. The DOJ retains the right to intervene in these actions at any time. Additionally, while several states have similarly declined to intervene in some of these actions, they also retain the right to intervene in the future. The plaintiffs in the Northern District of Alabama and Eastern District of Texas actions have voluntarily dismissed their cases. On April 25, 2014, Celgene filed a motion to dismiss the complaint in the remaining (Central District of California) action, United States of America ex. rel. Beverly Brown V. Celgene Corp., unsealed February 5, 2014 (the Brown Action), which was denied except with respect to certain state claims. We filed our answer to the complaint on August 28, 2014. Fact discovery closed in September 2015 and expert discovery closed on June 30, 2016. Fact discovery closed on September 25, 2015. Expert discovery closed on June 30, 2016. The Relator (the person who brought the lawsuit on behalf of the government) submitted an expert report that, based on certain theories, purported to calculate damages and penalties. On July 25, 2016, Celgene filed a motion to strike the Relator□s expert report. The Magistrate Judge granted Celgene's motion, striking substantial portions of the report on August 23, 2016, significantly reducing the expert□s calculation of damages and penalties. Relator appealed this decision to the District Court Judge. On August 29, 2016, the parties filed a Joint Stipulation on Defendant Celgene's Motion for Summary Judgment or, In the Alternative, Partial Summary Judgment. On December 28, 2016, the court entered an order granting in part and denying in part Celgene□s motion for summary judgment. Specifically, the court dismissed Relator□s anti-kickback claims and all claims related to prescriptions submitted to TRICARE, the Veterans Administration and the Tennessee, Texas and Wisconsin Medicaid programs. The court denied Celgene□s motion as to all other issues and upheld the District Court□s decision to strike substantial portions of Relator□s expert report. On January 30, 2017, Celgene filed a Motion for Reconsideration of The Order Partially Denying Summary Judgment Or For Certification For Immediate Appeal And Stay. This motion sought to dispose of the remainder of the Relator□s claims. Relator filed her Opposition to Celgene's motion on February 6, 2017. A confidential mediation under Federal Rule of Civil Procedure Rule 408 was held on February 25, 2017. Relator and Celgene participated in the mediation and discussions continued after that date. On March 6, 2017, the Judge ordered that the trial begin on April 25, 2017. Relator and Celgene jointly sought, and obtained, a 90-day continuance of the trial date until July 25, 2017. On June 26, 2017, the court held a status conference, in which it directed the parties to submit any proposed settlement agreement to which Relator, Celgene, and the DOJ had agreed to the court by July 13, 2017 with a motion to approve the settlement. The court stated that it would rule on any motion to approve the settlement on July 25, 2017. On July 13, 2017, the parties submitted a proposed settlement and motion to approve the settlement to the court. On July 25, 2017, the court accepted the settlement. Under the terms of the settlement, Celgene paid a total of $315 million (including fees and expenses) to resolve the matter with the United States, 28 States, the District of Columbia, the City of Chicago and the Relator. The settlement includes no admission of any wrongdoing by Celgene, and Celgene is not required to enter into a Corporate Integrity Agreement as part of the settlement.

**Streck v. Allergan Inc et al**

Case began on 10/28/2008

On September 6, 2011, Biogen Idec and several other pharmaceutical companies were served with a complaint originally filed under seal on October 28, 2008 in the United States District Court for the Eastern District of Pennsylvania by Ronald Streck (the relator) on behalf of himself and the United States, and the states of New Jersey, California, Rhode Island, Michigan, Montana, Wisconsin, Massachusetts, Tennessee, Oklahoma, Texas, Indiana, New Hampshire, North Carolina, Florida, Georgia, New Mexico, Illinois, New York, Virginia, Delaware, Hawaii, Louisiana, Connecticut, and Nevada, (collectively □the States□), and the District of Columbia, alleging violations of the False Claims Act, 31 U.S.C. § 3729 et seq. and state and District of Columbia statutory counterparts. In May 2011, the United States notified the court that it was not intervening at that time as to one defendant, and was declining to intervene as to all other defendants, including Biogen Idec; the District of Columbia notified the court that it was not intervening at that time; and the states notified the court that they were declining to intervene as to all defendants. The complaint was subsequently unsealed and served, and then amended. The amended complaint alleges that Biogen Idec and other defendants underreport Average Manufacturer Price information to the Centers for Medicare and Medicaid Services, thereby causing Biogen Idec and other defendants to underpay rebates under the Medicaid Drug Rebate Program. The relator alleges that the underreporting has occurred because Biogen Idec and other defendants improperly consider various payments or price concessions that they made to drug wholesalers to be discounts under applicable federal law. On December 23, 2016, the court ordered that pursuant to Fed. R. Civ. P. 41 and the terms of the settlement agreement, all claims in this action against Gensyme are dismissed with prejudice as to relator and without prejudice as to the United States and the named State Plaintiffs, the Court retains jurisdiction of this civil action as to relator's share of the proceeds under 31 U.S.C. 3730(d) and its state false claims act analogs.

## About Watchdog Research, Inc.

Watchdog Research, Inc. is an independent research provider and publisher of Watchdog Reports. Watchdog Reports identify red flags, issues, and other anomalies in financial reporting. Our reports contain warning signs, red flags, material disclosures, and peer analysis for use in valuation, risk analysis, due diligence research, and idea generation.

Watchdog Reports are designed to assist investment professionals fulfill their fiduciary or suitability obligations and to help investors, executives, board members, regulators and educators learn what they need to know about publicly traded companies.

The company is headquartered in Naples, FL. Watchdog Research, Inc. utilizes over 75 specialists and analysts to provide accurate and timely information to our readers.

**Our management team is:**

CEO: Brian Lawe. Brian has been part of the corporate staff at The New York Times Company and IBM. He has created and operated several technology companies including MyStoreCredit, OnPage Ideas and HelloCampus. He holds an MBA from Harvard Business School and a BBA from Texas Christian University. He and his wife have four children and live in the Naples, FL area. One son is deployed with the US Marine Corps in Afghanistan.

CTO: Radu Cugut. Radu has led the award-winning technology team that developed the Watchdog Report and services. He, his wife and son split their time between his home in Naples, FL and his home in Timisoara, Romania where he oversees five talented development professionals. Radu has a bachelors in Computer Science and a masters in Banking and Financial Information Systems, both from the West University of Timisoara.

Chief Content Officer: Joseph Burke, Ph.D. is responsible for the content development, analysis, and quality control for the Watchdog Report. He also edits the blog and directs our custom research. Joseph worked previously as a professor of economics at Ave Maria University. He received his Ph.D. from the University of Wisconsin-Madison and resides with his family in the Naples area.

**Watchdog Research, Inc.**
780 5th Ave S
Suite #200
Naples, FL 34102

info@cwdresearch.com
(855) 820-6272
www.cwdresearch.com

# How to analyze a company's Watchdog Report

If you walk into a doctor's office complaining about a pain in your left shoulder, your doctor's training kicks-in and he will immediately begin assessing your age and physical appearance, checking your vital signs and asking you a very specific series of questions about your symptoms. After just a few brief moments of assessing you, the doctor will either begin life-saving intervention or simply hand you an ice pack for your sore arm after a workout.

**Like that doctor, we assume you are reading our Watchdog Report because you want to quickly assess the health of the company you are analyzing. You want to know if the company is undergoing any major problems or is simply displaying minor issues. Here is how to get your answer:**

BEFORE YOU START

Make sure you have a basic understanding of the company. Know its market cap, the size of its revenues, profits and assets and liabilities. Review any major news related to the financials of the company and its management team.

STEP 1 — 10 SEC

Scan down the right side of the first page of the company's report, paying attention to the 'RECENT' column to find the latest yellow and red flags.

STEP 2 — 2 SEC

When you see a red or yellow flag, click the title next to the flag and you will instantly jump to that section of the company's report.

STEP 3 — 60 SEC

Read that section's headline, the timeline and review the specific issue highlighted for the company's red or yellow flag.

STEP 4 — 3 MIN

Each section will usually have a link to the original filing or legal summary for the issue. Click that link. If it takes you to a SEC Edgar page, review the original filing. **HINT:** Use your browser's "find" button to search for a key word or number related to the issue as shown on the Watchdog Report.

STEP 5 — 15 SEC

Review the stock price movement chart on page two of the report. If you check the report online, you can adjust the timeline to a narrow time. The stock movement chart will overlay each of the red and yellow flags to stock price changes. Make note of those red and yellow flags around major stock price declines. These issues are worth reviewing in detail.

STEP 6 — 1 MIN

Before continuing, it is worth comparing the company to its peers. Go to the third page of the report and compare the red and yellow flags for the company (first column) to the number of companies with red and yellow flags from your company's peer group. Is the company an outlier with a red or yellow flag in an area that other peers have only green? If so, the outlying issues are also worth reviewing in detail.

STEP 7 — 5 MIN

Repeat steps 2-4 for each red or yellow flag. At the end of this process, you'll have a good idea of the core issues the company has reported.

STEP 8 — 5 MIN

Now comes the creative, but hard part. Like a doctor trying to understand what might be wrong with a patient, you must now use your judgment, past knowledge and the insights you gathered in the prior steps to develop your own view of how serious the issues are facing the company.

If you see a consistent pattern of delays, accounting irregularities, management turnover, legal troubles, the company is clearly in trouble. Use the peer group analysis step above to see why your company may be different than its peers. Think of the various issues as connected. It seems passé but a bad management team is going to be bad in multiple ways. The challenge is to find the thread that runs through all the issues to understand any management failures.

When you find a pattern of unusual accounting moves, it is almost always tied to management protecting their own interests over investors. You should also consider what particular forces in the industry are affecting the company more than its peers. If you can assess that, try to think about how a company's management might "adjust" the financial disclosures to mask the weakness. It helps to think like a detective here. Everyone is entitled to a presumption of innocence, but if management was trying to hide something, how might they go about doing so?

This step is where we leave you with our 6,000+ Watchdog Reports. Good luck with your analysis!