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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

R&O PHARMACY, LLC, a California limited liability company, Plaintiff, v. VALEANT PHARMACEUTICALS NORTH AMERICA LLC, a Delaware limited liability company, Defendant.	Case No. 2:15-cv-07846 **COMPLAINT FOR DECLARATORY JUDGMENT**

Plaintiff R&O Pharmacy, LLC, a California limited liability company ("R&O") alleges and avers the following for its complaint against Valeant Pharmaceuticals North America LLC, a Delaware limited liability company ("Valeant") as follows:

I. INTRODUCTION

On September 4, 2015, R&O received a letter from Robert Chai-Onn, Valeant's Executive Vice President, Chief Legal Officer and General Counsel. In the letter, which was the first correspondence that R&O had ever received directly from Valeant, Mr. Chai-Onn claimed that R&O, a small licensed California pharmacy, owed Valeant over $69,000,000. However, R&O has never received a single invoice from Valeant in any amount and until September 4 had never received a single demand for payment from Valeant. R&O has requested copies of the invoices, but to no avail. Indeed, it seems that Valeant has no evidence whatsoever to back up its claims.

Therefore, R&O believes that one of two things must be true:

1. Valeant and R&O are victims of a massive fraud perpetuated by third parties; or
2. Valeant is conspiring with other persons or entities to perpetuate a massive fraud against R&O and others.

The purpose of this action is for R&O to get to the bottom of this, avoid accrual of avoidable damages, if any, and secure an early adjudication without waiting until Valeant sees fit to file suit.

Accordingly, R&O seeks a declaratory judgment from this Court that Valeant's claims are without merit and that R&O owes Valeant nothing. R&O will conduct discovery, including written discovery and depositions, in order to determine Valeant's involvement, if any, in a scheme to defraud R&O and others.

II. JURISDICTION AND VENUE

1. This is an action for declaratory relief pursuant to 28 U.S.C. § 2201 seeking a declaration of the parties' rights, duties and obligations in connection with alleged outstanding invoices and amounts owed by R&O to Valeant. This Court has

jurisdiction under 28 U.S.C. § 1332 because there is complete diversity of citizenship and more than $75,000 is in controversy.

2. This Court has personal jurisdiction over Valeant by virtue of, *inter alia*, Valeant's regular and continuous transaction of business within the State of California and within this judicial district. In addition, the underlying activities that give rise to the action occurred within this judicial district.

3. Venue is proper in this judicial district and division pursuant to 28 U.S.C. § 1391 (b)(2) as a substantial part of the events or omissions giving rise to the action occurred in this judicial district.

III. THE PARTIES

4. R&O is, and at all times herein mentioned was, a California limited liability company with its principal place of business in Camarillo, California.

5. Valeant is, and at all times herein mentioned was, a Delaware limited liability company. R&O is informed and believes and on that basis alleges that Valeant's principal place of business is in Bridgewater, New Jersey.

IV. RELEVANT FACTS

6. R&O is a licensed pharmacy located in Camarillo, California. R&O was originally formed in 2012. R&O provides high quality formulations and exceptional customer service to healthcare practitioners and their patients across 34 of the United States in which it maintains licenses. Since inception, R&O has maintained high industry standards, abided by state board of pharmacy regulations and followed strict guidelines (Good Manufacturing Practices) set forth by the Federal Government, in order to ensure an impeccable reputation in the pharmaceutical industry with both patients and vendors.

7. Valeant is a publicly traded pharmaceutical company in the United States. Based on information obtained from Valeant's website, www.valeant.com, Valeant is a decentralized pharmaceutical company that produces specialty pharmaceutical products, over-the-counter (OTC) consumer products and medical devices. Valeant

primarily focuses on therapeutic pharmaceuticals including dermatology, eye health, aesthetics, oral health, neurology, and consumer healthcare.

8. On September 4, 2015, R&O received a written demand from Valeant's Executive Vice President, Chief Legal Officer and General Counsel, Robert Chai-Onn. Therein, Valeant asserts that, as of August 31, 2015, R&O owes on outstanding invoices in the amount of $69,861,343.08. Valeant threatens that it will take any and all action to ensure that it is paid amounts due to it in a timely fashion, and to seek any and all damages, including without limitation, for past and future lost profits as well as costs and expenses (including attorneys' fees), and will take any and all actions against R&O and any relevant individuals for not meeting contractual commitments. Attached hereto as Exhibit A is a true and correct copy of Mr. Chai-Onn's letter.

9. On September 8, 2015, R&O's counsel advised Valeant that Valeant's allegations came as a complete surprise to R&O, given that R&O has never received a single invoice or a single demand for payment from Valeant in any amount. R&O's counsel requested that Valeant forward R&O copies of all invoices Valeant claims are unpaid. In addition, R&O's counsel advised that one of two things appears to be true, either: 1) Valeant and R&O are both victims of a massive fraud perpetuated by third parties; or 2) Valeant is conspiring with other persons or entities to perpetuate a massive fraud against R&O and others. Attached hereto as Exhibit B is a true and correct copy of R&O's counsel's letter.

10. To date, R&O's counsel has not received a substantive written response from Valeant and Valeant has failed and/or refused to provide any invoices.

11. R&O vehemently denies that it owes Valeant any amount of money and Valeant has failed to provide a single shred of evidence to support its claims. With these very serious allegations looming, R&O is no longer willing to wait for Valeant to come out of hiding to provide support for its frivolous claims.

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FIRST CAUSE OF ACTION

(Declaratory Relief)

12. R&O incorporates herein by reference paragraphs 1 through 11 of this complaint.

13. As set forth above, an actual controversy has arisen and now exists between R&O and Valeant.

14. Accordingly, R&O desires a judicial determination of the parties' respective rights and duties, and a declaration that a) R&O has no equitable or contractual relationship with Valeant; b) R&O does not owe any duties to Valeant; c) R&O has not breached any purported agreements with Valeant; d) R&O has no outstanding invoices or amounts due or owing to Valeant; and e) Valeant is entitled to nothing from R&O.

15. A judicial declaration is necessary and appropriate under the circumstances so that R&O may ascertain the parties' respective rights and duties and eliminate any dispute regarding the alleged outstanding invoices.

V. RELIEF REQUESTED

WHEREFORE, R&O prays for judgment against Valeant as follows:

1. For an order declaring that:

   a. R&O has no equitable or contractual relationship with Valeant;

   b. R&O does not owe any duties to Valeant;

   c. R&O has not breached any purported agreements with Valeant;

   d. R&O has no outstanding invoices or amounts due or owing to Valeant; and

   e. Valeant is entitled to nothing from R&O;

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2. For costs of suit herein, including attorneys' fees, where available; and

3. For such further relief that the Court deems just and proper.

DATED: October 6, 2015

THE KAUFMAN LAW GROUP

By: /s/
Gary Jay Kaufman
Attorneys for Plaintiff,
R&O Pharmacy, LLC