

This report provides a summary of relevant data and documents we received in response to Freedom of Information Act (FOIA) requests we filed on this company.

Disclosed SEC Investigation(s) Confirmed As Ongoing

If we alert you to existence of an undisclosed SEC probe, that means we filed a FOIA request with the SEC on the company in question and have a response, in black-and-white, on government letterhead that supports our statement. When the SEC denies access to records on closed SEC probes, they are frequently blocking internal SEC documents known as, "Opening and Closing Reports, including 'Case Closing Recommendation,' 'Matter Under Inquiry Summary,' 'Investigation Summary,' and/or similar documents and/or reports." Where history is available, we present it below so you can compare it to company disclosures. Other interpretative guidance and disclosures appear below.

From the Probes Reporter Database:

We filed our first FOIA request on this company in Mar-2013.

4-Apr-2013	FOIA Response with Document(s)	Documents located on closed SEC probe(s) of this company.
1-Apr-2014	FOIA Response	No SEC investigative records found.
30-Sep-2015	FOIA Response	No SEC investigative records found.
4-Feb-2016	FOIA Response with Document(s)	Two-part response: 1) SEC blocks access to records over concern their release, "could reasonably be expected to interfere with enforcement activities"; and, 2) Documents released on separate, closed SEC probe(s) of this company. However, access to certain of these investigative records was denied.
22-Feb-2016	Appeal Response	Two-part appeal response: On-going SEC enforcement proceedings confirmed on appeal; Access to those records remains blocked. Appeal to try to access certain records (previously identified) from a closed, but separate SEC probe(s) of this company was also denied on grounds they are internal SEC documents.
25-Oct-2016	FOIA Response	SEC blocks access to records over concern their release, "could reasonably be expected to interfere with enforcement activities."
18-Nov-2016	Appeal Response	On-going SEC enforcement proceedings confirmed on appeal; Access to records remains blocked.

Notable Disclosures: Multiple investigations disclosed. Relevant excerpts below.

Documents Acquired Under the Freedom of Information Act:

In Apr-2013, the SEC indicated it identified "54 boxes of records" concerning a closed investigation of Valeant Pharmaceuticals. We do not have those records.

In Feb-2016, the SEC identified four pages of investigative records on a closed probe. Three pages were denied on grounds they were internal SEC records. The fourth page identified was not released, however, it may not matter as the SEC's description of this sole page tells us it would be of little analytical value.

Supplemental Data: From the Valeant Pharmaceuticals 10-Q filed on 9-Nov-2016:

SEC Investigation

Beginning in November 2015, the Company has received from the staff of the Los Angeles Regional Office of the SEC subpoenas for documents, as well as various document requests, related to its investigation of the Company, including requests for documents concerning the Company's former relationship with Philidor, its accounting practices and policies, its public disclosures and other matters. The Company is cooperating with the SEC in this matter. The Company cannot predict the outcome or the duration of the SEC investigation or any other legal proceedings or any enforcement actions or other remedies that may be imposed on the Company arising out of the SEC investigation.

Salix SEC Investigation

The SEC is conducting a formal investigation into possible securities law violations by Salix relating to disclosures by Salix of inventory amounts in the distribution channel and related issues in press releases, on analyst calls and in Salix's various SEC filings, as well as related accounting issues. Salix and the Company are cooperating with the SEC in its investigation, including through the production of documents to the SEC Enforcement Staff. The Company cannot predict the outcome or the duration of the SEC investigation or any other legal proceedings or any enforcement actions or other remedies that may be imposed on Salix or the Company arising out of the SEC investigation.

Philidor Matters

As mentioned above in this section, the Company is involved in certain investigations, disputes and other proceedings related to the Company's now terminated relationship with Philidor. These include the putative class action litigation in the U.S. and Canada, the purported class actions under the federal RICO statute and the investigations by certain offices of the Department of Justice, the SEC and the California Department of Insurance, the request for documents and other information received from the AMF and certain Congressional committees and a document subpoena from the New Jersey State Bureau of Securities. There can be no assurances that governmental agencies or other third parties will not commence additional investigations or assert claims relating to the Company's former relationship with Philidor or Philidor's business practices, including claims that Philidor or its affiliated pharmacies improperly billed third parties or that the Company is liable, directly or indirectly, for such practices. The Company is cooperating with all existing governmental investigations related to Philidor and is vigorously defending the putative class action litigations. No assurance can be given regarding the ultimate outcome of any present or future proceedings relating to Philidor.

Independent Investment Research Focused on Public Company Interactions With the SEC.

Notes: *New SEC investigative activity could theoretically begin or end after the date covered by the latest information in this report which would not be reflected here. The SEC did not disclose the details on investigations referenced herein. All we know is that they somehow pertain to the conduct, transactions, and/or disclosures of the companies referenced above. Companies with undisclosed SEC investigations are maintained on our Watch List of companies with undisclosed SEC probes.*

The SEC reminds us that its assertion of the law enforcement exemption should not be construed as an indication by the Commission or its staff that any violations of law have occurred with respect to any person, entity, or security.

To learn more about our research process, including how to best use this information in your own decision-making, [click here.](#)

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