

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

At least once in the past, the SEC had cited the "law enforcement exemption" of the Freedom of Information Act (FOIA) as basis to block the public's access to the detailed records we sought on this company. As a matter of law, the SEC is acknowledging some sort of investigative activity with this response. We filed an appeal with the SEC Office of the General Counsel to challenge that response.

In response to our latest appeal, the date of which is shown in the table below, the SEC stated, "We have confirmed with staff that releasing the withheld information could reasonably be expected to interfere with on-going enforcement proceedings."

Our research shows at least one SEC investigation involving this company has been disclosed. Excerpts from company disclosures appear in this report. Keep in mind it is possible a public company can be involved in more than one SEC probe at any time. We routinely recommend asking a company if there are any investigations beyond what was disclosed.

Watch List Status: Not Presently on Watch List of Companies with Undisclosed SEC Probes.

Neither Valeant Pharmaceuticals International, Inc. nor Salix Pharmaceuticals Ltd is on our Watch List of companies with undisclosed SEC probes at this time. However, each company has at least one disclosed probe that is detailed here.

It is unusual for a company to continue to disclose the existence of an investigation in an acquired unit unless management views the exposure as posing a material risk to the entire combined company.

Therefore, since we know there was at least one investigation of Salix disclosed in the recent history, we recommend those with an interest ask Valeant Pharmaceuticals what contact it's had with the SEC's Division of Enforcement in the past two years, particularly concerning its Salix unit.

From the Probes Reporter Database on Salix Pharmaceuticals:

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

If we alert you to existence of an undisclosed SEC probe – or any response from the SEC – that means we filed a FOIA request on the company in question and have a response, in black-and-white, on government letterhead that supports our statement. Below is our response history for this company –

19-Feb-2013	FOIA Response	No SEC investigative records found.
13-Feb-2014	FOIA Response	No SEC investigative records found.
10-Dec-2014	FOIA Response	No SEC investigative records found.
2-Jun-2016	FOIA Response	No SEC investigative records found.
5-Jul-2016	Appeal Response	On-going SEC enforcement proceedings confirmed on appeal; Access to records remains blocked.
6-Dec-2016	FOIA Response	SEC blocks access to records over concern their release, "could reasonably be expected to interfere with enforcement activities."
21-Dec-2016	Appeal Response	On-going SEC enforcement proceedings confirmed on appeal; Access to records remains blocked.

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 research history is available in our database, we present it above so you can compare it to company disclosures. Other interpretative guidance and disclosures appear below.

Notable Disclosures: Multiple investigations disclosed, excerpt below.

Documents Acquired Under the Freedom of Information Act: None in our library at this time.

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

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](#).

Our Terms of Service, relevant disclosures, and other legal notices [can be found here](#).

Copyright Warning and Notice

The works of authorship contained in the accompanying material, including but not limited to all data, design, text, images, charts and other data compilations or collective works are owned by Probes Reporter, LLC or one of its affiliates and may not be copied, reproduced, transmitted, displayed, performed, distributed, rented, sublicensed, altered, or stored for subsequent use, in whole or in part in any manner, without the prior written consent of Probes Reporter, LLC.

Photocopying or electronic distribution of any of the accompanying material or contents without the prior written consent of Probes Reporter, LLC violates U.S. copyright law, and may be punishable by statutory damages of up to \$150,000 per infringement, plus attorneys' fees (17 USC 504 et. seq.). Without advance permission, illegal copying includes regular photocopying, faxing, excerpting, forwarding electronically, and sharing of online access.

Intellectual Property

© 2017 Probes Reporter, LLC. All rights reserved. Probes Reporter®; They Know it. Now You Know It.®; Better Disclosure for Better Decisions®; Disclosure Insight®; and, Disclosure Games®, are trademarks of Probes Reporter, LLC and are proprietary.

DISCLAIMER

Probes Reporter, LLC is not an investment adviser and does not offer or provide personalized investment advice. The information in our reports and appearing on ProbesReporter.com is not a solicitation connected to any security. The information we provide is obtained from company submissions and our own Freedom of Information requests made to the Securities and Exchange Commission. No representation or warranty is made as to the timeliness or completeness of any information found in our reports or on ProbesReporter.com.

Probes Reporter does not adopt the truth or falsity of the contents of any of the documents or filings referred to on this website, and no conclusion of wrongdoing should be inferred from the fact that an investigation has been initiated by the SEC. Probes Reporter is not the guarantor of any investment and cannot be held liable for any losses or expenses incurred as a result of reliance upon any information contained herein, and ProbesReporter.com is not a substitute for your own due diligence, which may include advice from an investment professional.

With few exceptions, Probes Reporter, LLC prohibits its employees and principals from trading of any kind in any individual public company securities, or derivatives thereof, on any company on which production of any new research report has commenced. Such prohibitions shall remain in place until either 5 days after the individual research report has been published or its production otherwise ceases.

Probes Reporter, LLC does not engage in investment banking activities or take any security positions, except those necessary for routine corporate treasury functions

Our full trading policy, along with our Terms of Service, relevant disclosures, and other legal notices [can be found here](#).

Visit www.probesreporter.com to learn more about becoming a subscriber. Or call 763-595-0900 (USA).
