Anda

Gayle W. Lane
Diversion Group Supervisor
U.S. Department of Justice
Drug Enforcement Administration
Miami Field Division
2100 North Commerce Parkway
Weston, Florida 33326

December 6, 2011

Dear Ms. Lane:

We are in receipt of your letter dated November 18, 2011 which we received on November 22, 2011. The letter references your investigative findings from an inspection of our facility, Drug Enforcement Administration (DEA) number RA0180733, in Weston, Florida, in July 2010. The referenced letter also directed us to you as the point of contact regarding this matter. Anda, Inc. was cooperative throughout the investigation and wishes to compliment the Diversion Investigators who conducted the investigation at our site as equally professional and cooperative. Anda, Inc. strives for excellence and wishes to respond to your concerns explicitly and completely.

Regarding the first item in your letter, Anda, Inc. remains compliant with all of our recordkeeping requirements and ensures that all records are maintained in a readily retrievable manner. Immediate action was taken to correct this clerical error. As you noted in your letter, the issue was immediately addressed and therefore correctly not included in our ARCOS report for the year ending 2009. A review of Anda's ARCOS submission was performed and this confirmed a clerical error was made at the time our inventory listing was created. Every effort will continue to be made to create error free documents as required by Title 21, Code of Federal Regulations (CFR), Section 1304.11 on a daily basis.

Regarding the second item noted in your letter, since August, 2010, Anda, Inc. has discontinued more than 85% of its Oxycodone distributions to the state of Florida alone. Prior to August 2010, Anda, Inc. withdrew from supplying controlled substance to all physicians/dispensing practitioners and wholesale/distributors in the United States. We notified DEA's Miami Field Division of this change. Anda, Inc has implemented a comprehensive customer review process as well. All new and reactivated customers that wish to purchase controlled substances are required to complete our due diligence documents which include our customer questionnaire. In most cases we also require the submission of a dispensing log of controlled and non-controlled substances dispensed by the pharmacy. With this information we do an investigation which includes Google mapping the location to look at the pharmacy and surrounding area, a thorough review of entire customer questionnaire, and a Google search of any doctors listed on the

questionnaire. A similar process has been put into place for our existing customer base. We are reviewing each account individually. A questionnaire and dispensing data are being requested as well as a thorough investigation for each registrant. By December 31, 2011 all retail independent pharmacies will have received our due diligence document. Based on our findings Anda, Inc. sends regular email communication to DEA's Miami Field Division to advise the Division of customers to whom Anda, Inc. discontinues distribution of controlled substances, determines to be suspicious, or, based upon our review, will not initiate distribution of controlled substances. We have also reduced the allocation of all controlled substance chemical families to 1000 dosage units for new/reactivated customers and have excluded Oxycodone and Methadone products from availability until we can confirm that the customer is acting in accordance with the Controlled Substances Act.

In addition to this comprehensive due diligence process we are in the implementation phase of a systematic enhancement to our warehouse management system that will detect what we have determined to be an order of interest. We have built specific parameters in our system to allow us adjustment capabilities of specific time frames, order quantities and order frequencies. As an example, the data used can consist of all controlled substance chemical sales for a rolling six month period. There are then multiple triggers that will prevent an order from being processed that consist of the average order of the chemical for the registrant over the six month period, the average monthly usage of the chemical for the registrant over the six month period or the average order of the chemical for that specific trade class over the six month period. There is also a mechanism to detect orders of unusual frequency during a rolling thirty day period. Each order of interest will be reviewed appropriately and released or declined. Declined orders will be immediately communicated to DEA's Miami Field Division. We expect this system to be fully operational by year end.

With regard to the DEA Report of Investigation (2008) that documents an Anda official limiting customers to purchasing no more than 5000 dosage units per month in certain chemical families, a copy of the memo provided to officials of the Drug Enforcement Administration that was taken at the conclusion of our 2008 inspection is attached. This document specifically states the DEA is aware that there are some pharmacies that could far exceed 5,000 dosage units per month.

Additionally, we have expanded our Regulatory Compliance staff. We are in the process of hiring additional employees to ensure that we are well staffed to meet our continued compliance responsibilities in this critical area. Anda, Inc. is also in the

process of searching for outside companies to perform site visits of registrants when necessary.

I am confident that these detailed explanations satisfy the concerns as in your letter dated November 18, 2011. Please direct any further questions or comments regarding these issues to me at 954-217-4778 or to Michael Cochrane, Executive Director, Regulatory Compliance at 954-217-4325. Thank you in advance for your continued cooperative assistance with these important issues.

Sincerely,

Albert Paonessa III.
Executive Vice President
Anda, Inc.