

C. Actavis/Watson Flagging Algorithm

PLAINTIFF TRIAL
EXHIBIT
P-28497_00001

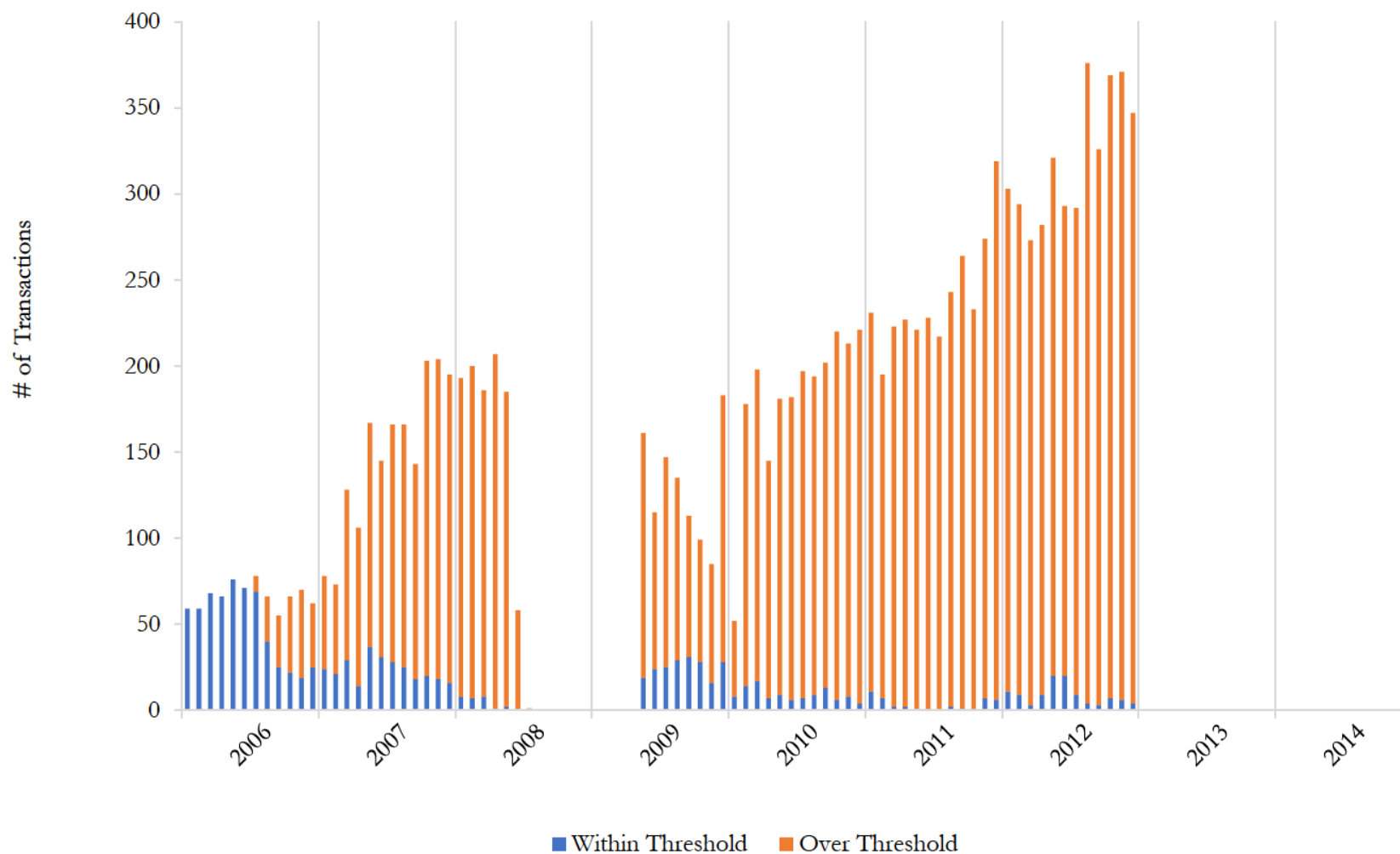
**Total Actavis Shipments Identified by
Methodology: Actavis Flagging Algorithm of Multiplier 1.25
2006-2012**

	Oxycodone	Hydrocodone	Fentanyl	Codeine	Morphine	Hydromorphone	Oxymorphone	Tapentadol	Meperidine	Opium	Dihydrocodeine	Levorphanol	12 Drugs Total
Flagged Orders - # of Transactions	12,184	134	600	0	12,192	10	9	0	6	0	0	0	25,135
Total # of Transactions	13,543	5,201	938	9	14,261	21	40	0	107	0	0	0	34,120
Percentage of Total # of Transactions	90.0%	2.6%	64.0%	0.0%	85.5%	47.6%	22.5%	0.0%	5.6%	0.0%	0.0%	0.0%	73.7%
Flagged Orders - Dosage Units	5,347,000	900	15,900	0	1,845,100	14,700	1,800	0	900	0	0	0	7,226,300
Total Dosage Units	5,784,100	16,000	23,295	5,300	2,156,140	21,400	6,500	0	12,300	0	0	0	8,025,035
Percentage of Total Dosage Units	92.4%	5.6%	68.3%	0.0%	85.6%	68.7%	27.7%	0.0%	7.3%	0.0%	0.0%	0.0%	90.0%
Flagged Orders - MME	167,804,984	45,407	9,698,750	0	79,500,805	417,057	72,260	0	6,536	0	0	0	257,545,799
Total MME	179,068,656	1,834,228	15,491,250	12,689	92,888,223	607,144	256,925	0	75,385	0	0	0	290,234,500
Percentage of Total MME	93.7%	2.5%	62.6%	0.0%	85.6%	68.7%	28.1%	0.0%	8.7%	0.0%	0.0%	0.0%	88.7%
Flagged Orders - Calculated Base Weight (g)	111,870	45	97	0	79,501	104	24	0	65	0	0	0	191,707
Total Calculated Base Weight (g)	119,379	1,834	155	85	92,888	152	86	0	754	0	0	0	215,332
Percentage of Total Calculated Base Weight (g)	93.7%	2.5%	62.6%	0.0%	85.6%	68.7%	28.1%	0.0%	8.7%	0.0%	0.0%	0.0%	89.0%

Notes:

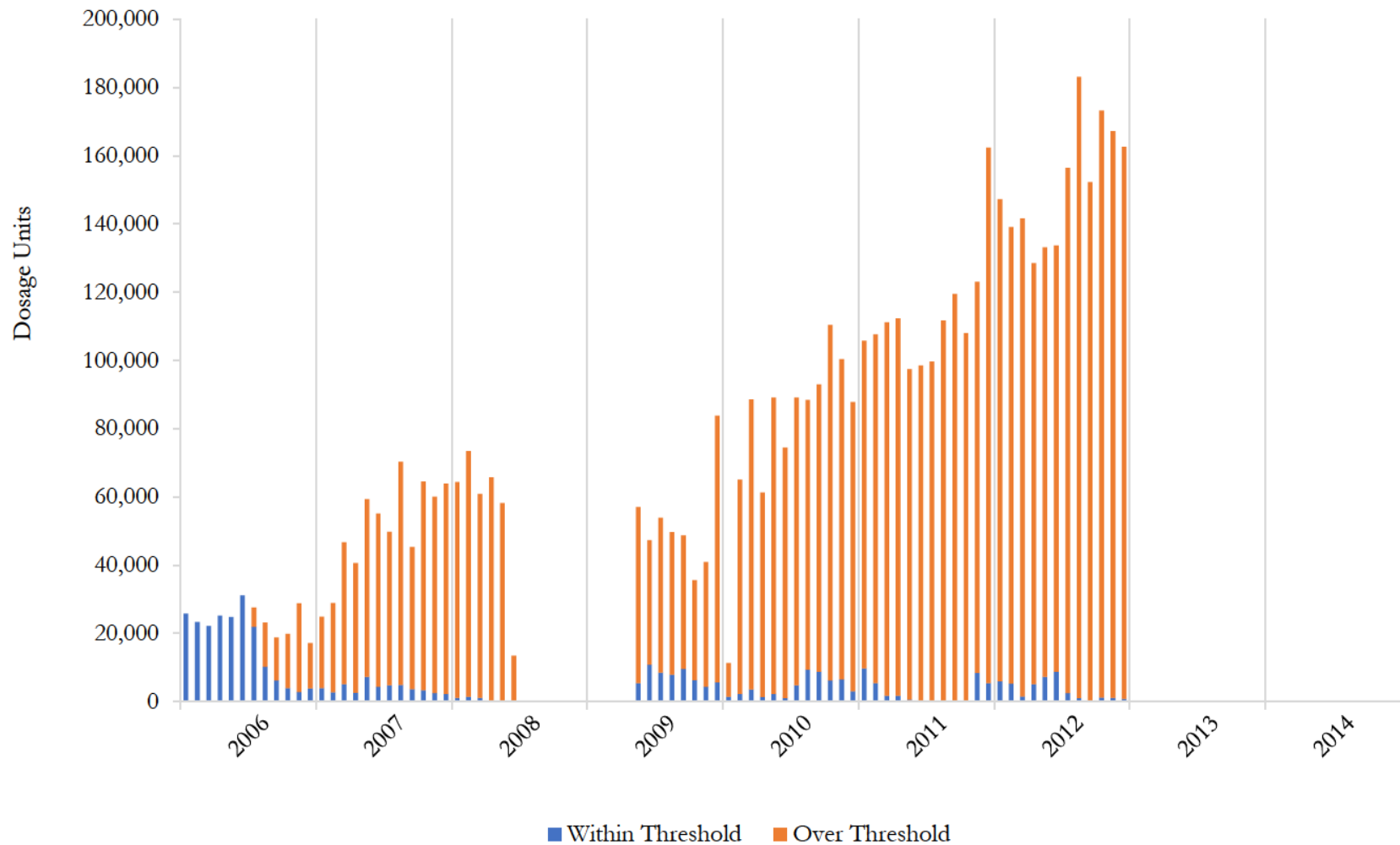
Actavis: Once an order(s) exceeds 1.25 times the average daily order size of rolling 182-day in dosage units, all subsequent orders are considered flagged. This method assumes no due diligence on the first flagged order(s) and as a result, each and every order shipped thereafter to that individual buyer is unlawful.

Actavis Oxycodone Monthly Shipments Identified by
Methodology: Actavis Flagging Algorithm of Multiplier 1.25



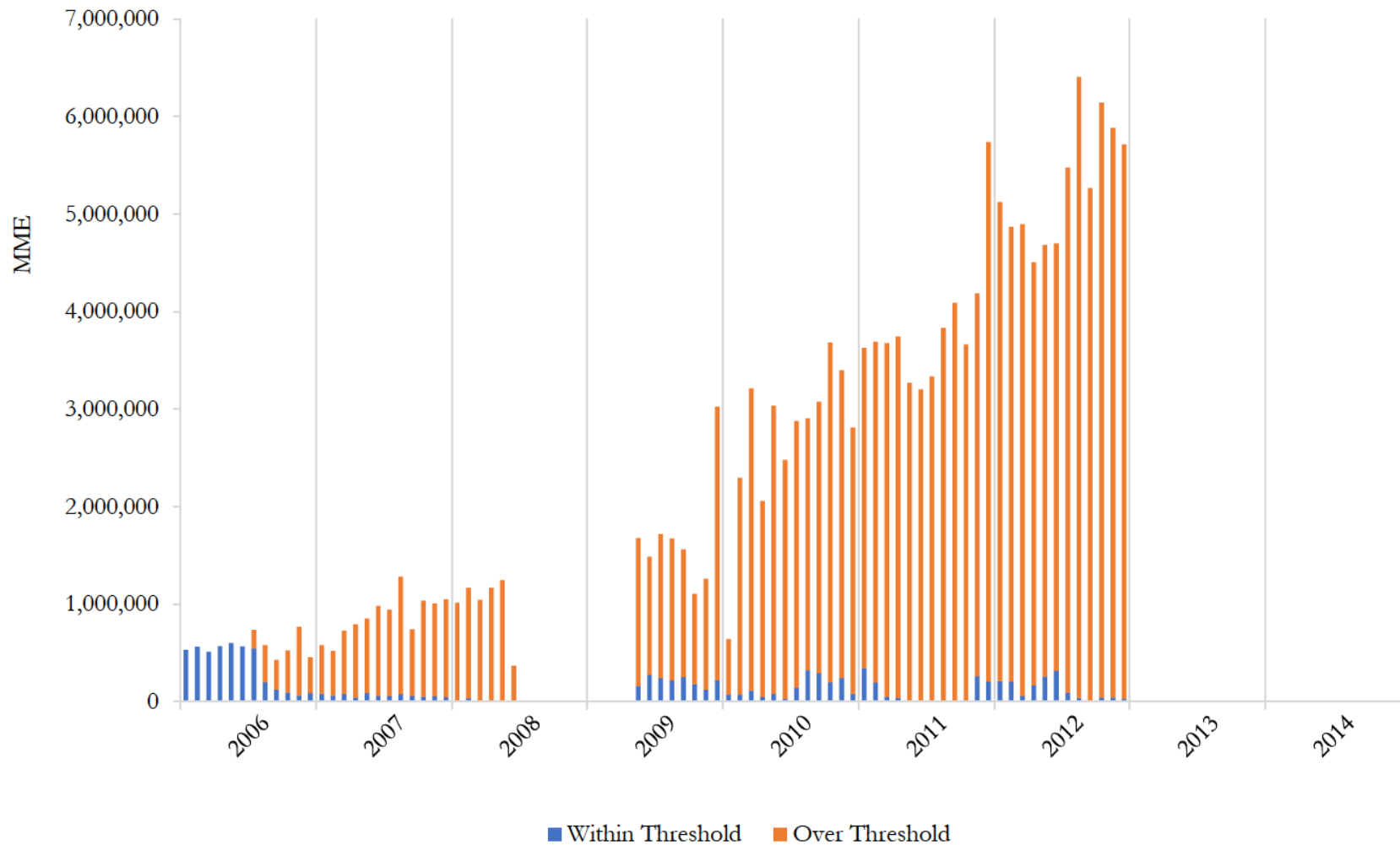
Note: 1/1/2006 - 12/31/2014 is based on ARCOS data produced by DEA.

Actavis Oxycodone Monthly Shipments Identified by
Methodology: Actavis Flagging Algorithm of Multiplier 1.25



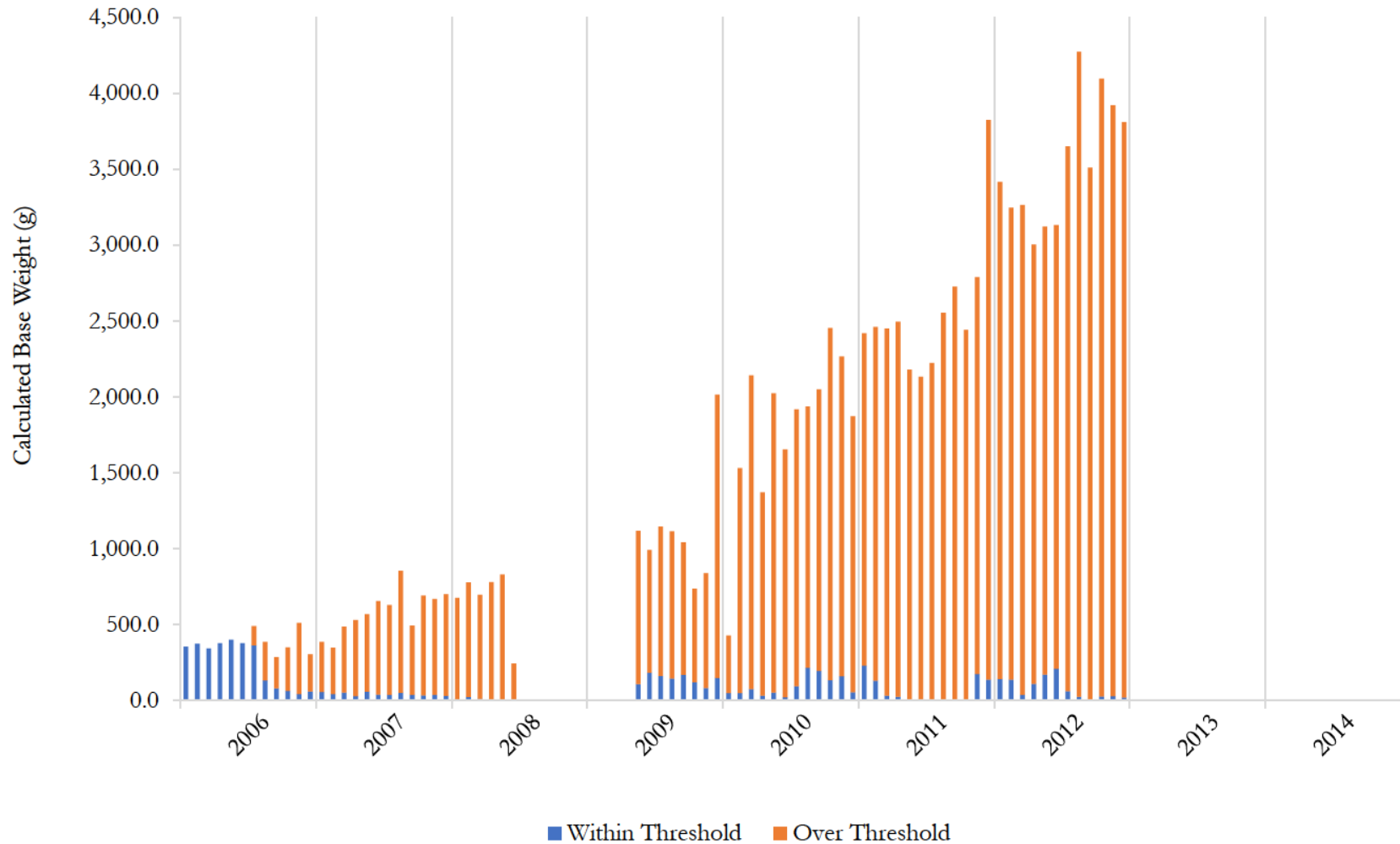
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Actavis Oxycodone Monthly Shipments Identified by
Methodology: Actavis Flagging Algorithm of Multiplier 1.25



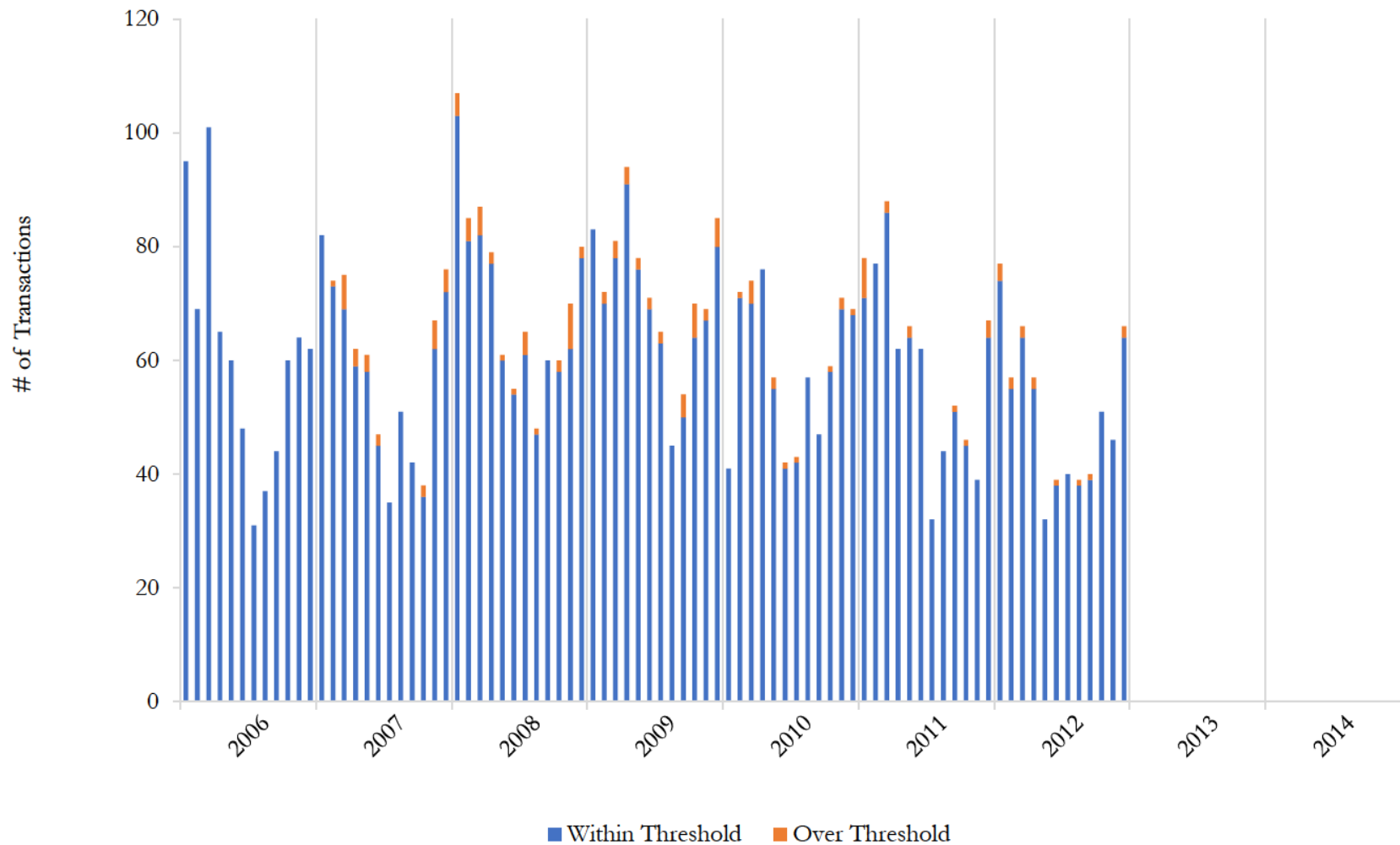
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Actavis Oxycodone Monthly Shipments Identified by
Methodology: Actavis Flagging Algorithm of Multiplier 1.25



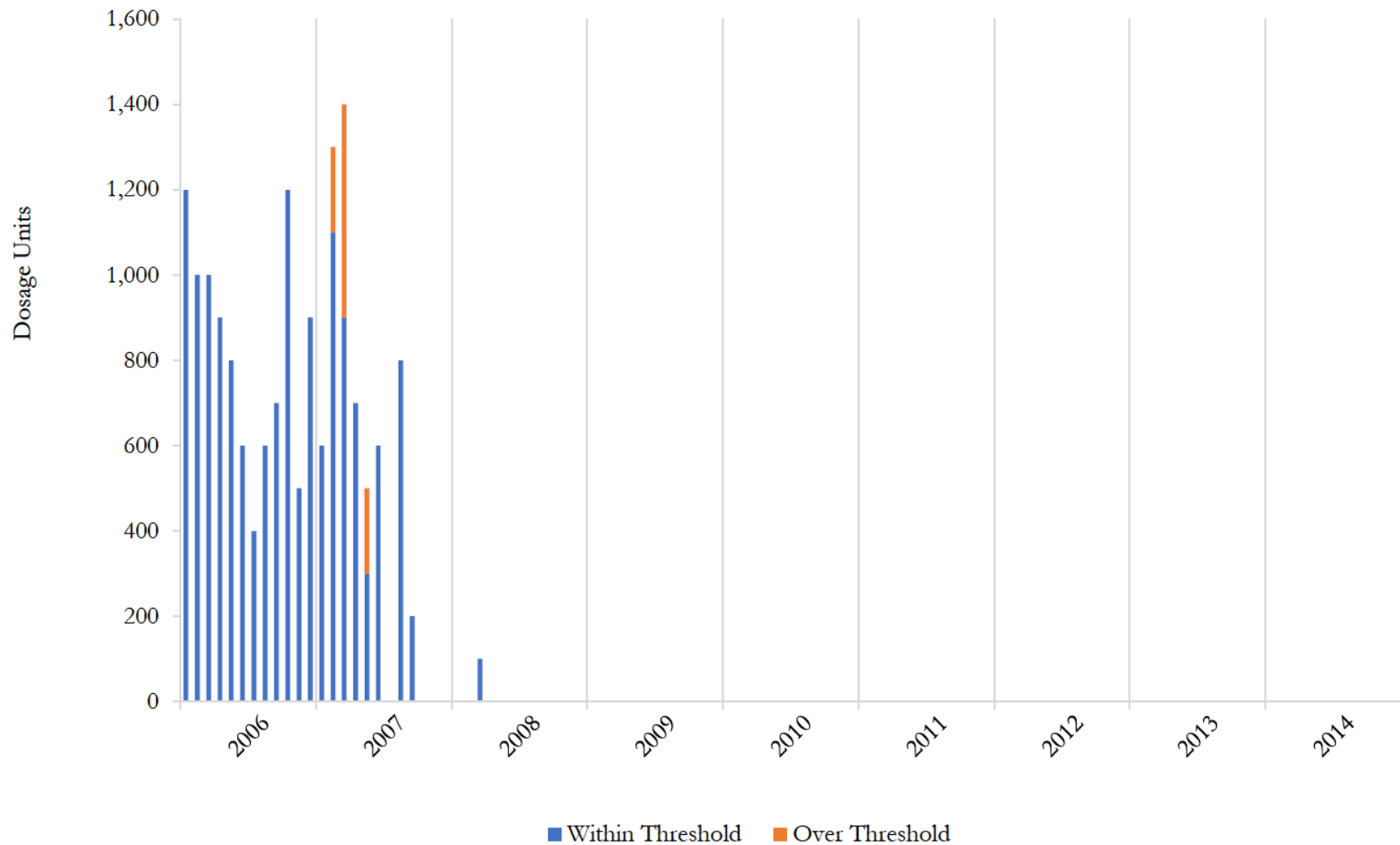
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Actavis Hydrocodone Monthly Shipments Identified by
Methodology: Actavis Flagging Algorithm of Multiplier 1.25



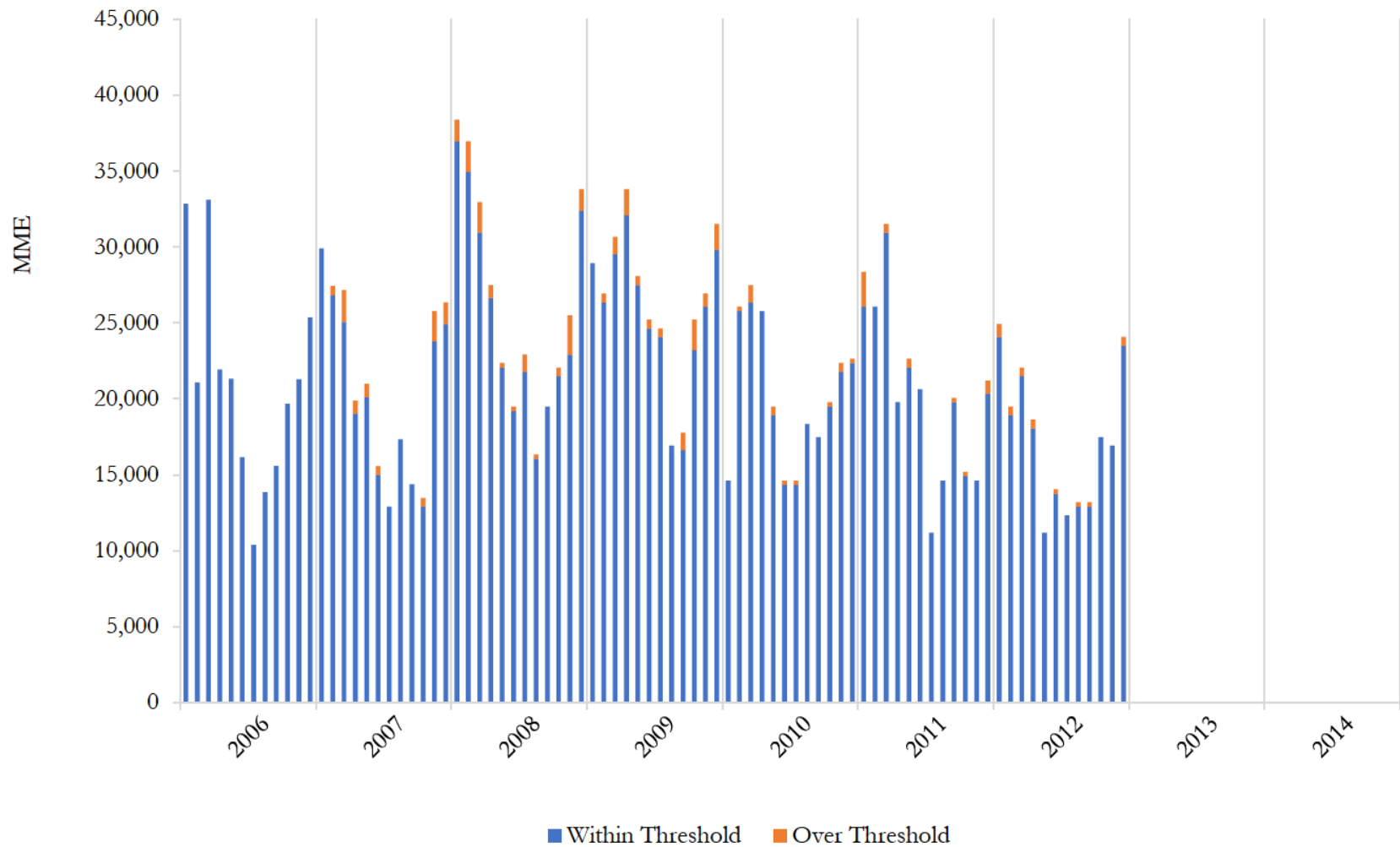
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Actavis Hydrocodone Monthly Shipments Identified by
Methodology: Actavis Flagging Algorithm of Multiplier 1.25



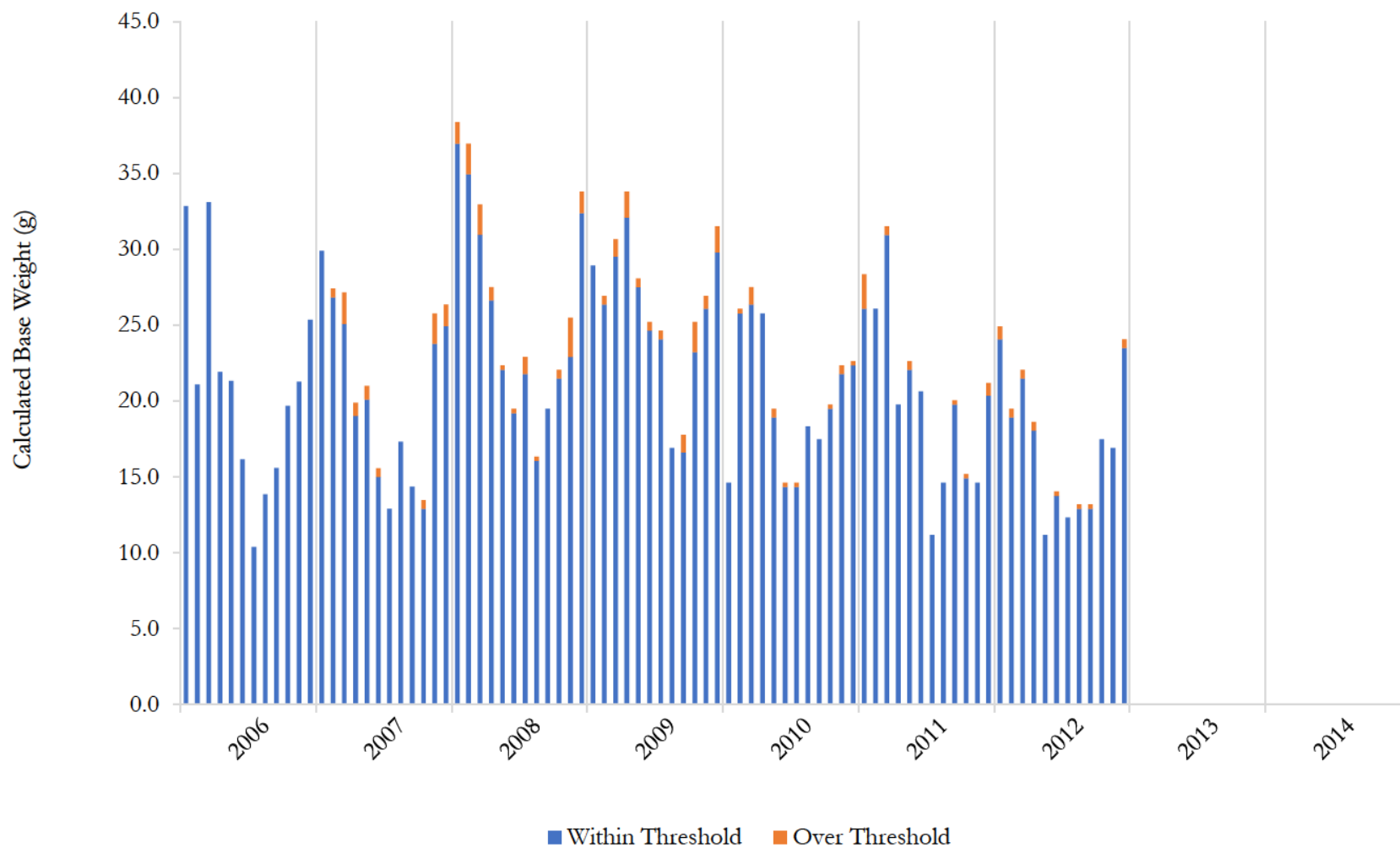
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Methodology: Actavis Flagging Algorithm of Multiplier 1.25



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Methodology: Actavis Flagging Algorithm of Multiplier 1.25



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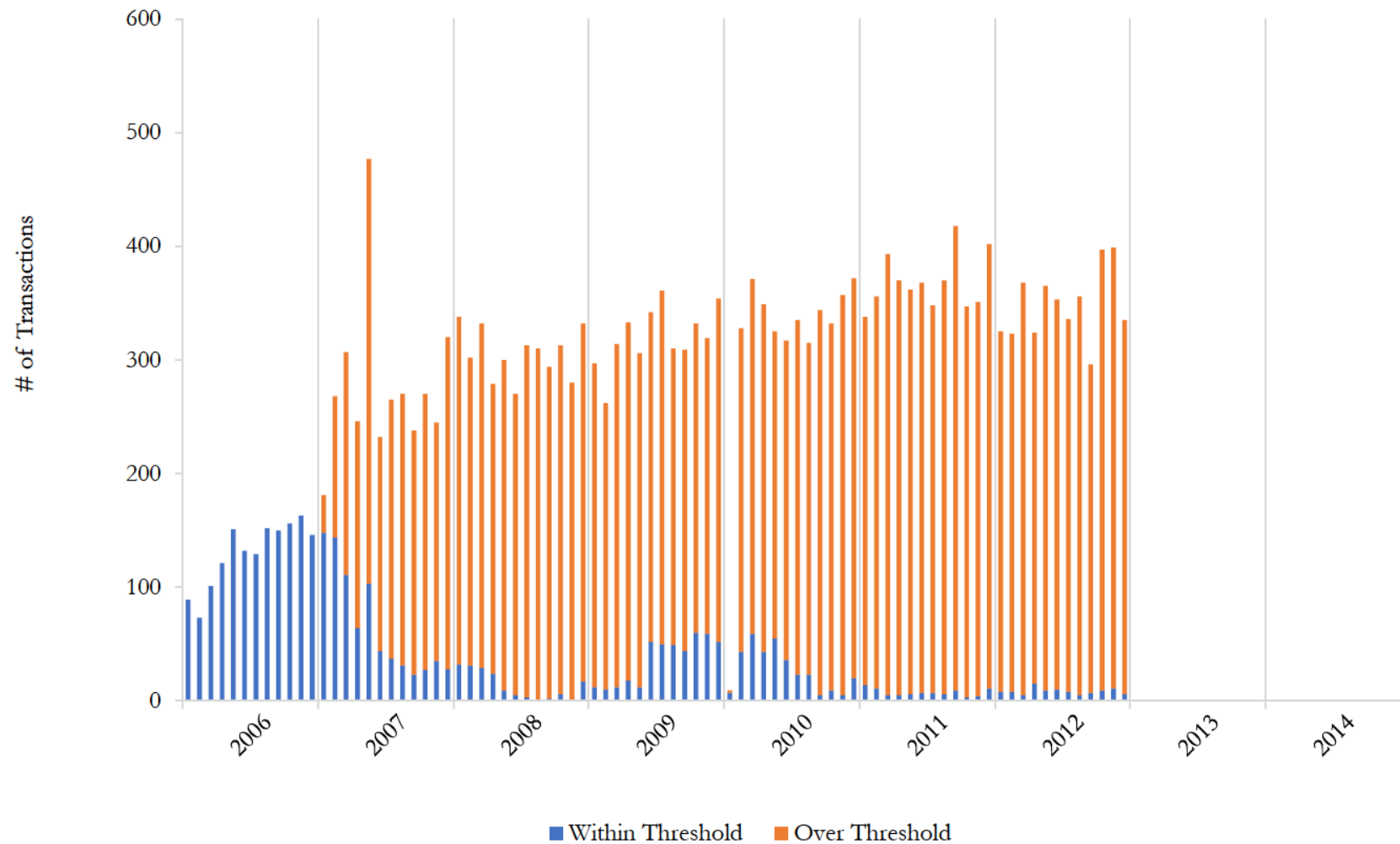
**Total Watson Shipments Identified by
Methodology: Watson Flagging Algorithm – Multiplier 1.5
2006-2012**

	Oxycodone	Hydrocodone	Fentanyl	Codeine	Morphine	Hydromorphone	Oxymorphone	Tapentadol	Meperidine	Opium	Dihydrocodeine	Levorphanol	12 Drugs Total
Flagged Orders - # of Transactions	21,274	85,764	9,836	805	7,065	0	0	0	0	0	0	0	124,744
Total # of Transactions	24,738	96,771	13,005	1,602	10,130	0	0	0	15	0	0	0	146,261
Percentage of Total # of Transactions	86.0%	88.6%	75.6%	50.2%	69.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	85.3%
Flagged Orders - Dosage Units	8,332,500	46,216,000	226,180	126,100	1,728,900	0	0	0	0	0	0	0	56,629,680
Total Dosage Units	10,216,700	51,038,740	315,105	237,600	2,507,300	0	0	0	2,300	0	0	0	64,317,745
Percentage of Total Dosage Units	81.6%	90.6%	71.8%	53.1%	69.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	88.0%
Flagged Orders - MME	84,726,508	188,506,576	111,087,070	465,116	73,229,760	0	0	0	0	0	0	0	458,015,030
Total MME	188,805,880	208,485,351	144,165,160	896,748	105,159,304	0	0	0	15,687	0	0	0	647,528,131
Percentage of Total MME	44.9%	90.4%	77.1%	51.9%	69.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	70.7%
Flagged Orders - Calculated Base Weight (g)	56,484	188,507	1,090	3,101	73,230	0	0	0	0	0	0	0	322,412
Total Calculated Base Weight (g)	125,871	208,485	1,409	5,978	105,159	0	0	0	157	0	0	0	447,059
Percentage of Total Calculated Base Weight (g)	44.9%	90.4%	77.4%	51.9%	69.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	72.1%

Notes:

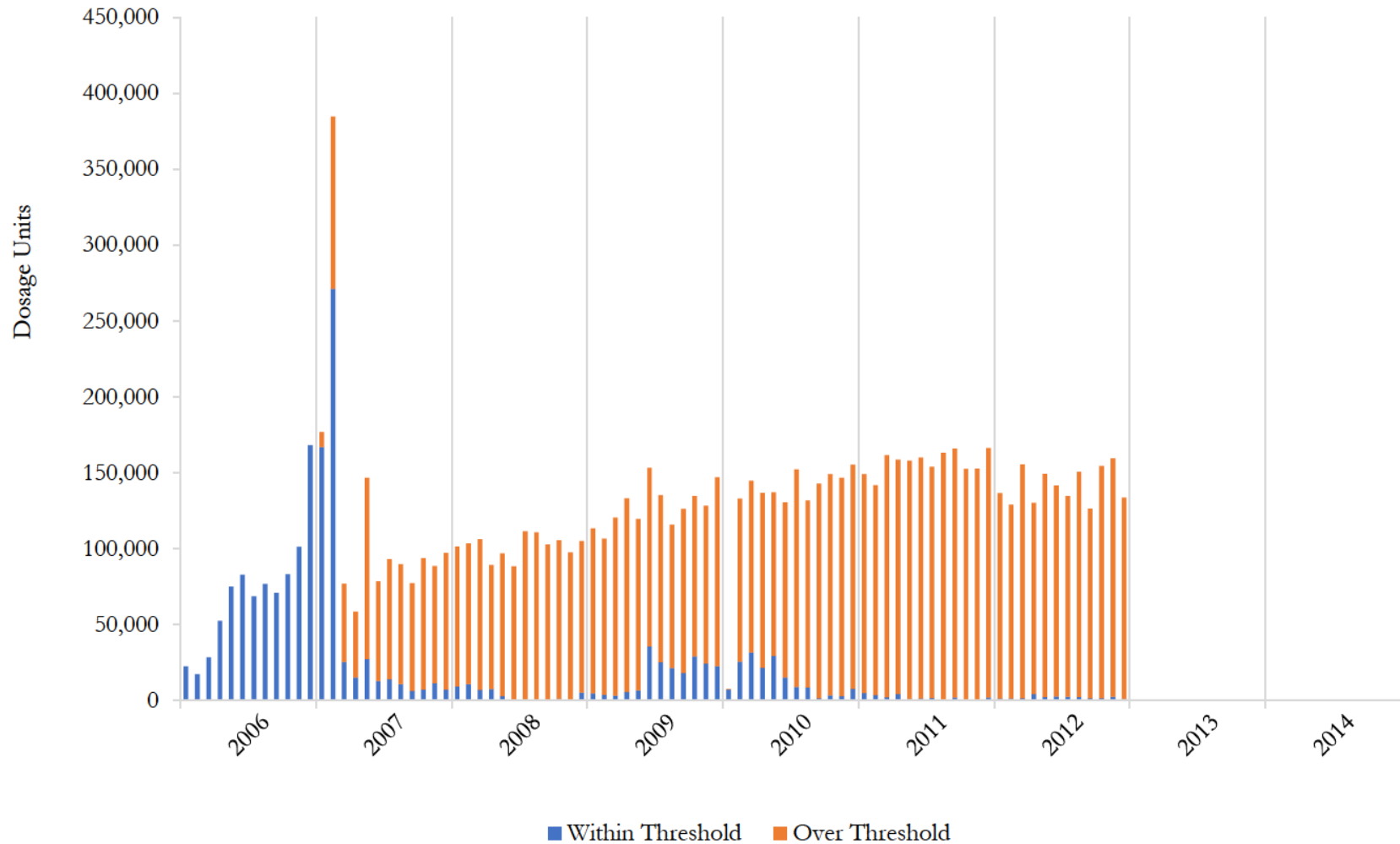
Watson 1.5: Once an order(s) exceeds 1.5 times the average daily order size of rolling 365-day or an order(s) in any month causes the cumulative shipments that month to exceed 1.5 time the average monthly order of prior 12-month in dosage units, all subsequent orders are considered flagged. This method assumes no due diligence on the first flagged order(s) and as a result, each and every order shipped thereafter to that individual buyer is unlawful.

Watson Oxycodone Monthly Shipments Identified by
Methodology: Watson Flagging Algorithm – Multiplier 1.5



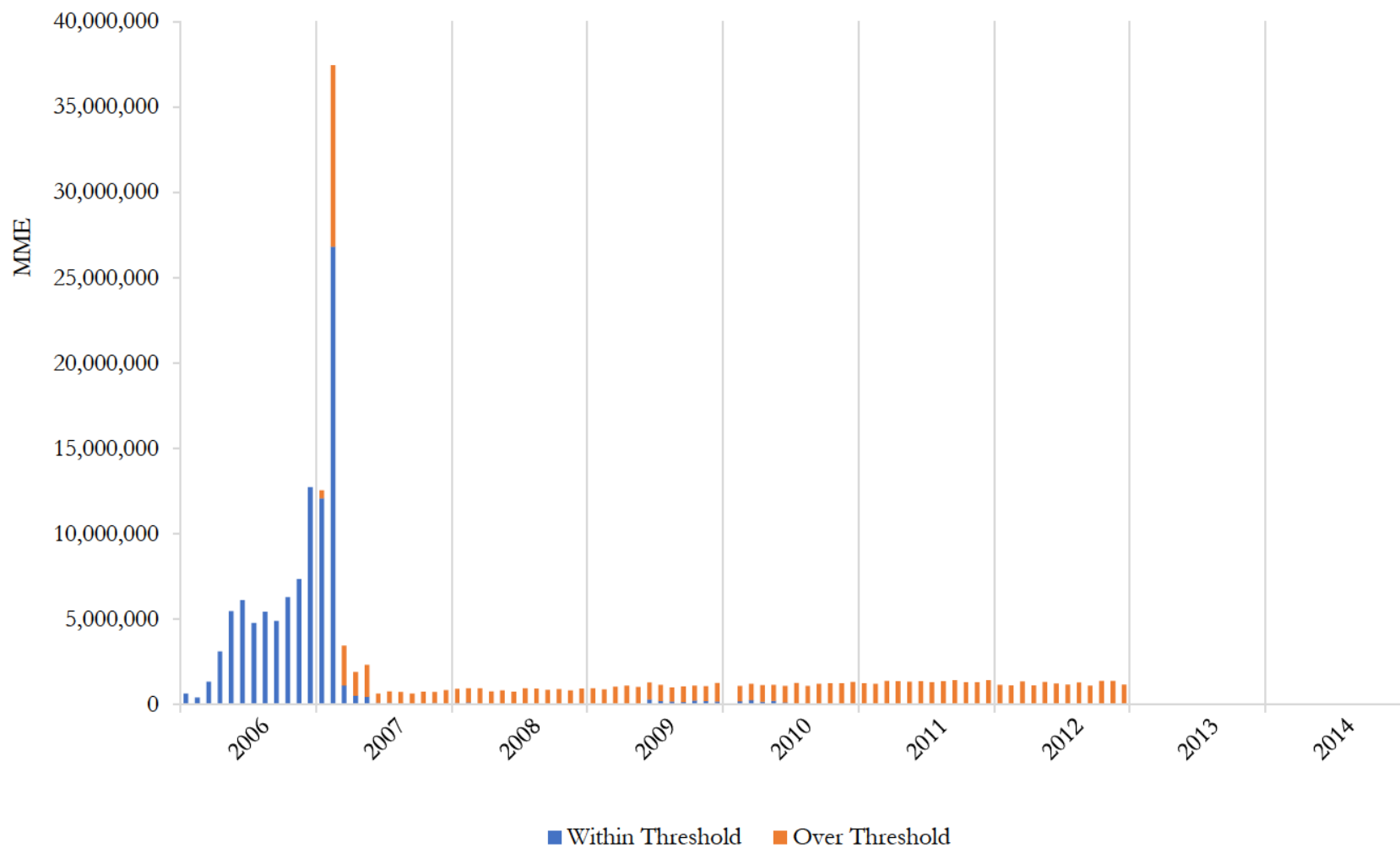
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Watson Oxycodone Monthly Shipments Identified by
Methodology: Watson Flagging Algorithm – Multiplier 1.5



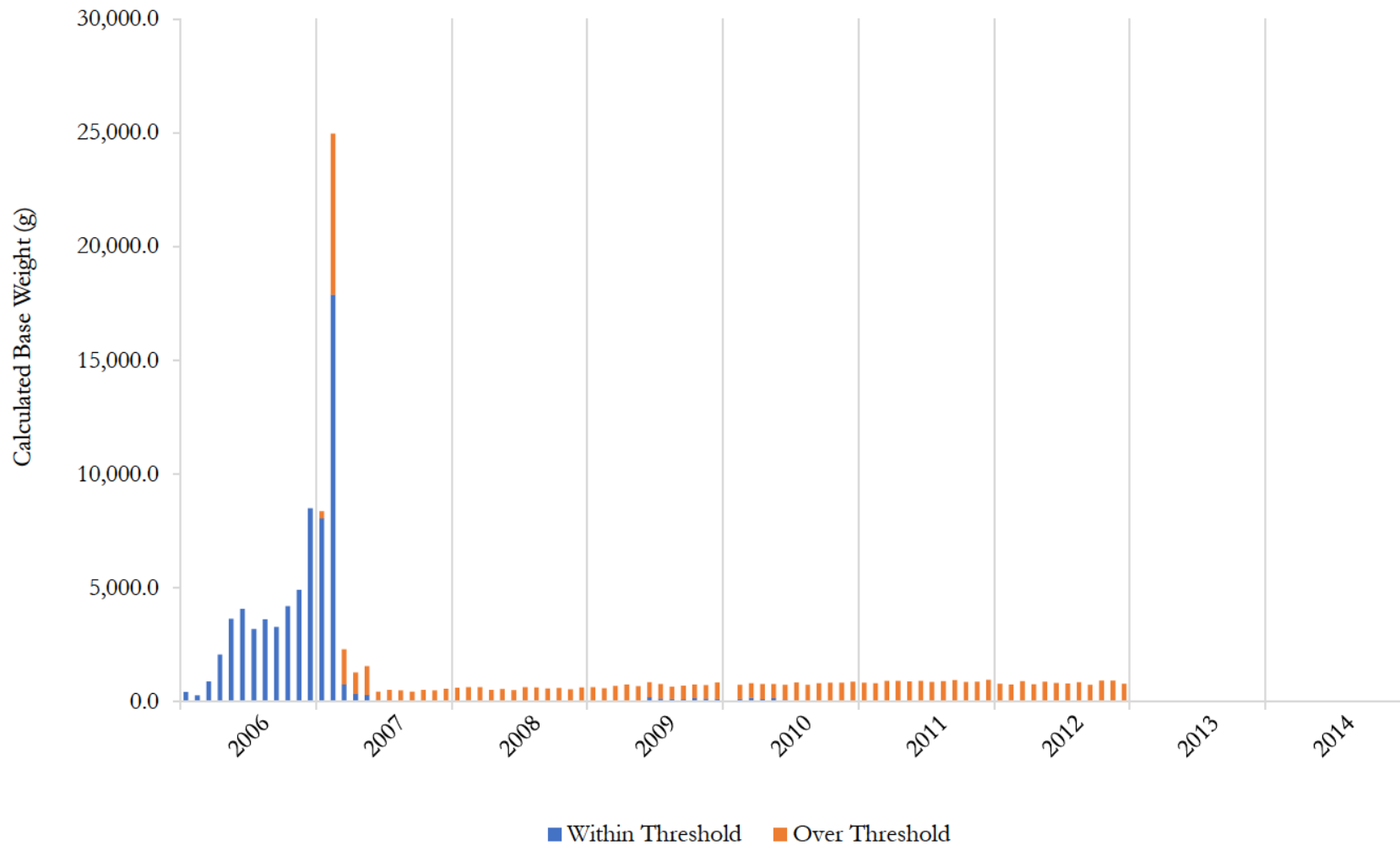
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Watson Oxycodone Monthly Shipments Identified by
Methodology: Watson Flagging Algorithm – Multiplier 1.5



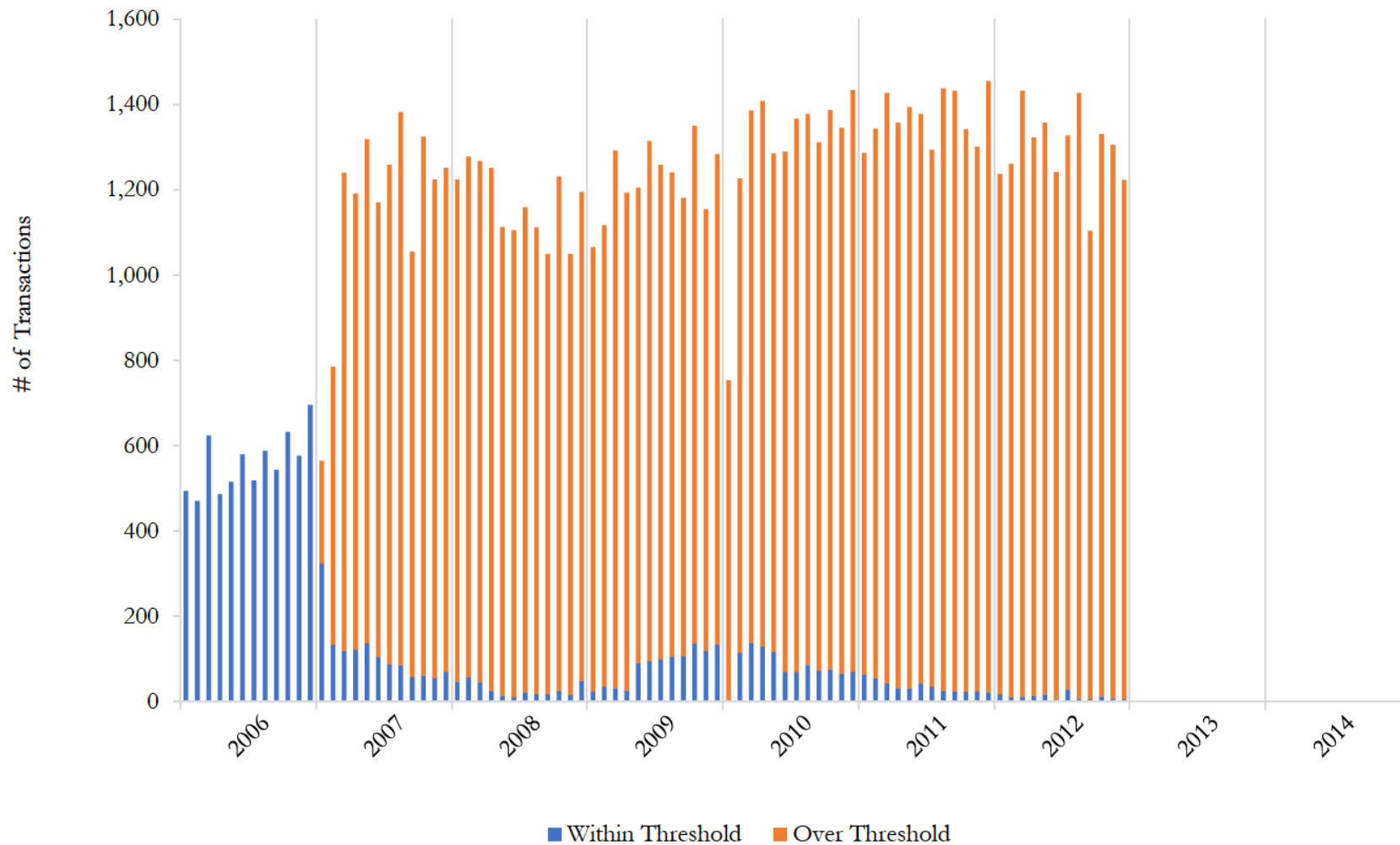
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Watson Oxycodone Monthly Shipments Identified by
Methodology: Watson Flagging Algorithm – Multiplier 1.5



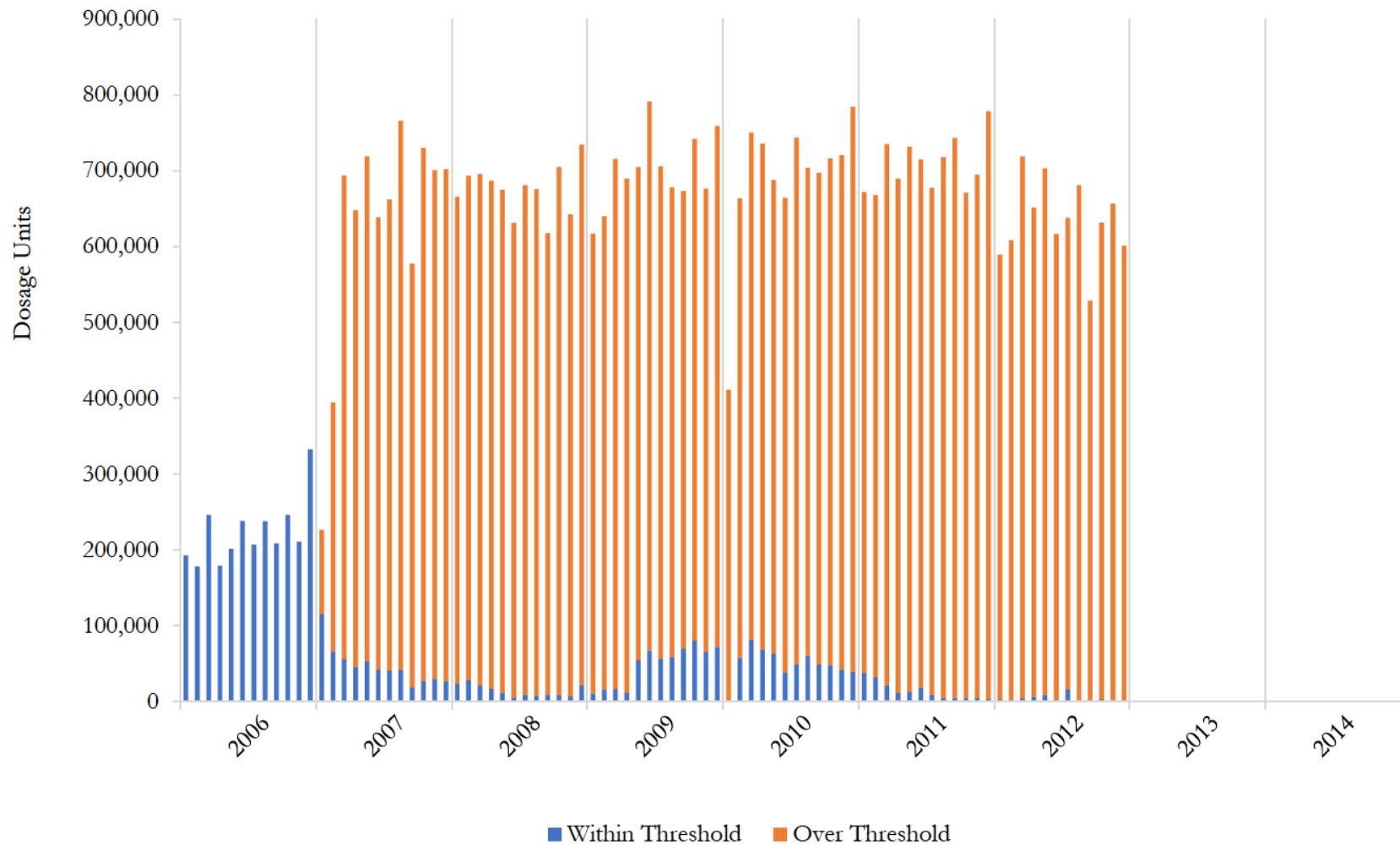
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Watson Hydrocodone Monthly Shipments Identified by
Methodology: Watson Flagging Algorithm – Multiplier 1.5



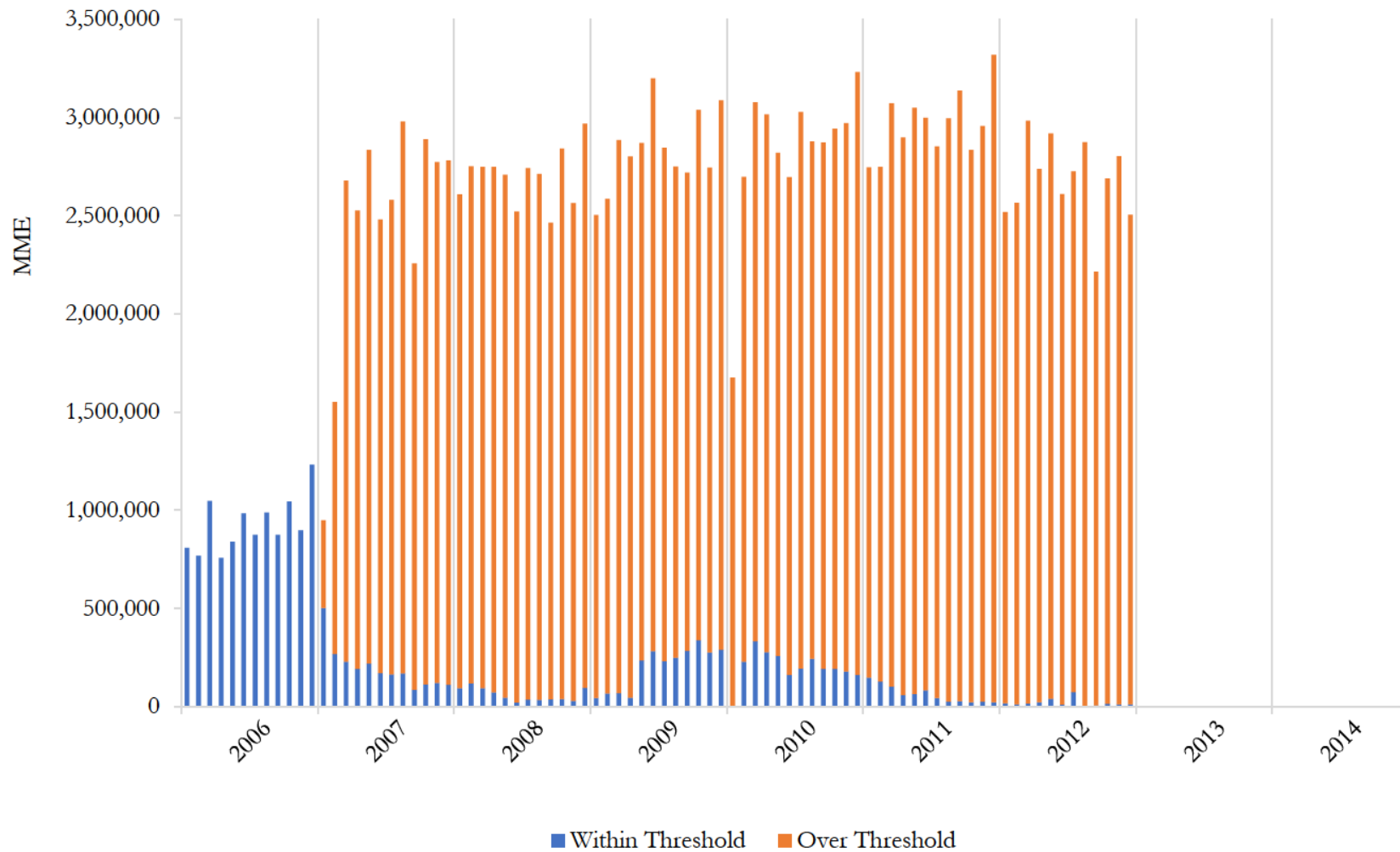
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Watson Hydrocodone Monthly Shipments Identified by
Methodology: Watson Flagging Algorithm – Multiplier 1.5



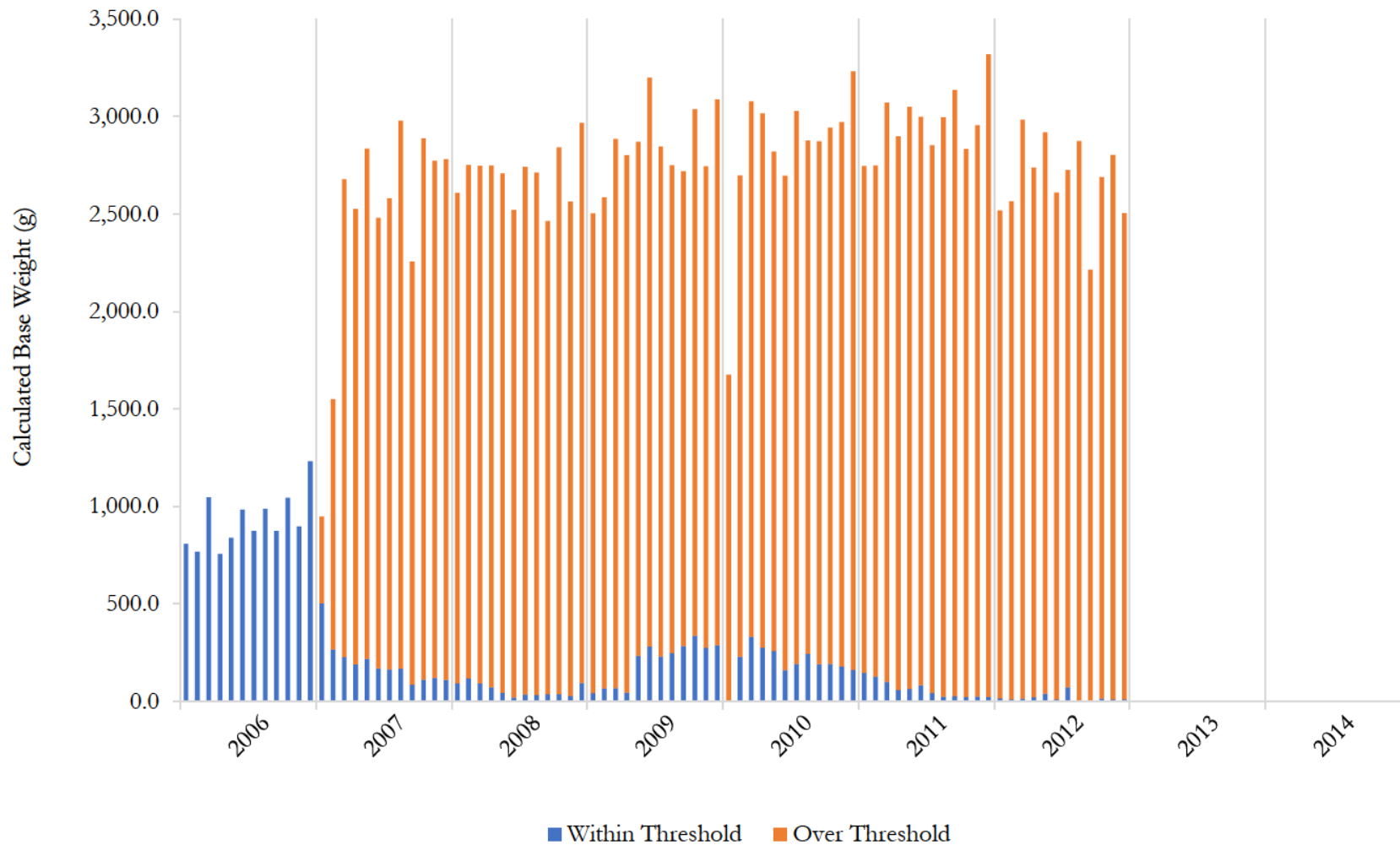
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Watson Hydrocodone Monthly Shipments Identified by
Methodology: Watson Flagging Algorithm – Multiplier 1.5



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Watson Hydrocodone Monthly Shipments Identified by
Methodology: Watson Flagging Algorithm – Multiplier 1.5



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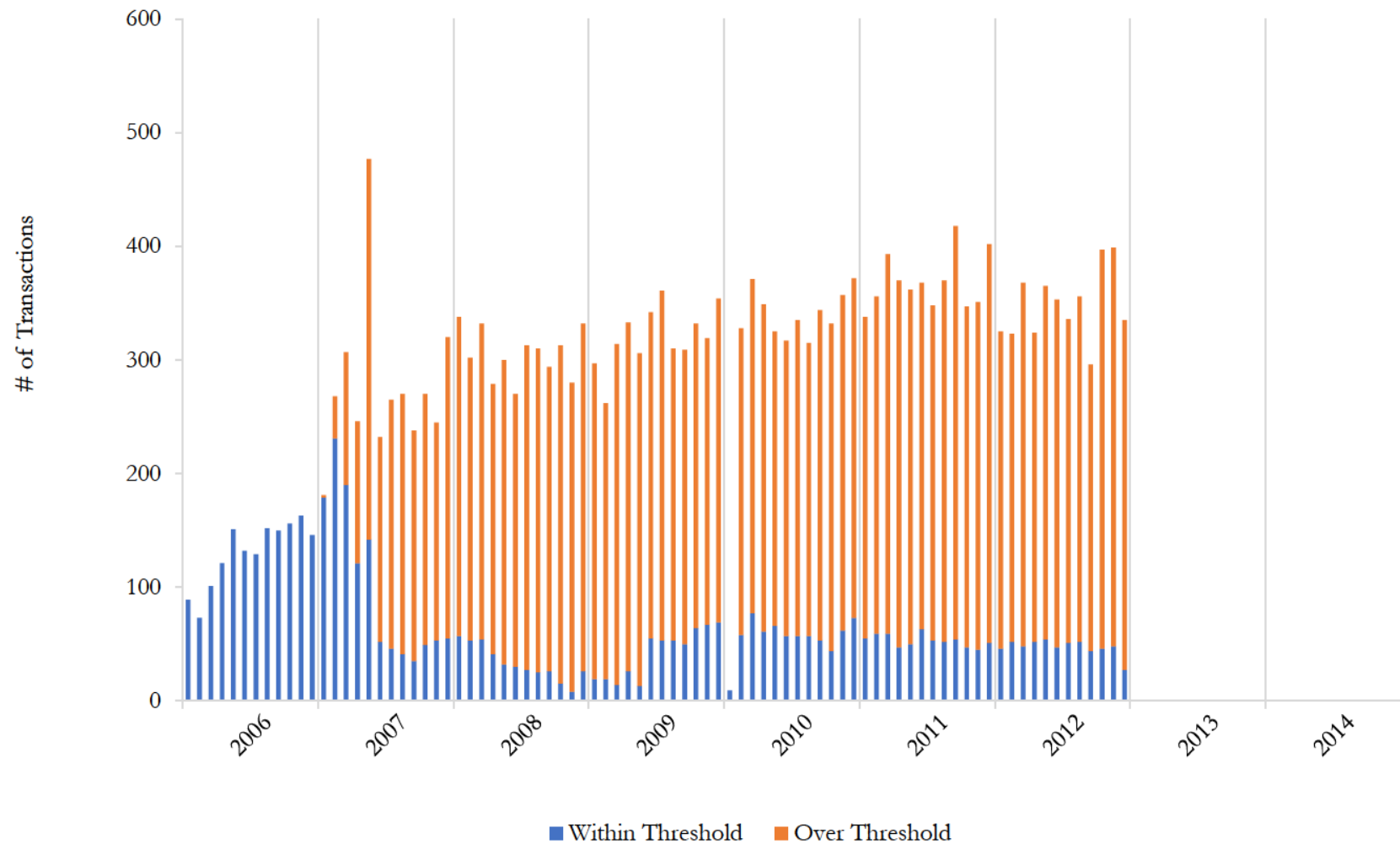
**Total Watson Shipments Identified by
Methodology: Watson Flagging Algorithm – Multiplier 3
2006-2012**

	Oxycodone	Hydrocodone	Fentanyl	Codeine	Morphine	Hydromorphone	Oxymorphone	Tapentadol	Meperidine	Opium	Dihydrocodeine	Levorphanol	12 Drugs Total
Flagged Orders - # of Transactions	19,209	75,480	7,047	162	3,711	0	0	0	0	0	0	0	105,609
Total # of Transactions	24,738	96,771	13,005	1,602	10,130	0	0	0	15	0	0	0	146,261
Percentage of Total # of Transactions	77.6%	78.0%	54.2%	10.1%	36.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	72.2%
Flagged Orders - Dosage Units	7,551,300	40,809,800	159,235	33,300	914,000	0	0	0	0	0	0	0	49,467,635
Total Dosage Units	10,216,700	51,038,740	315,105	237,600	2,507,300	0	0	0	2,300	0	0	0	64,317,745
Percentage of Total Dosage Units	73.9%	80.0%	50.5%	14.0%	36.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	76.9%
Flagged Orders - MME	73,854,516	166,072,117	82,357,150	117,688	37,610,152	0	0	0	0	0	0	0	360,011,623
Total MME	188,805,880	208,485,351	144,165,160	896,748	105,159,304	0	0	0	15,687	0	0	0	647,528,131
Percentage of Total MME	39.1%	79.7%	57.1%	13.1%	35.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	55.6%
Flagged Orders - Calculated Base Weight (g)	49,236	166,072	812	785	37,610	0	0	0	0	0	0	0	254,515
Total Calculated Base Weight (g)	125,871	208,485	1,409	5,978	105,159	0	0	0	157	0	0	0	447,059
Percentage of Total Calculated Base Weight (g)	39.1%	79.7%	57.6%	13.1%	35.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	56.9%

Notes:

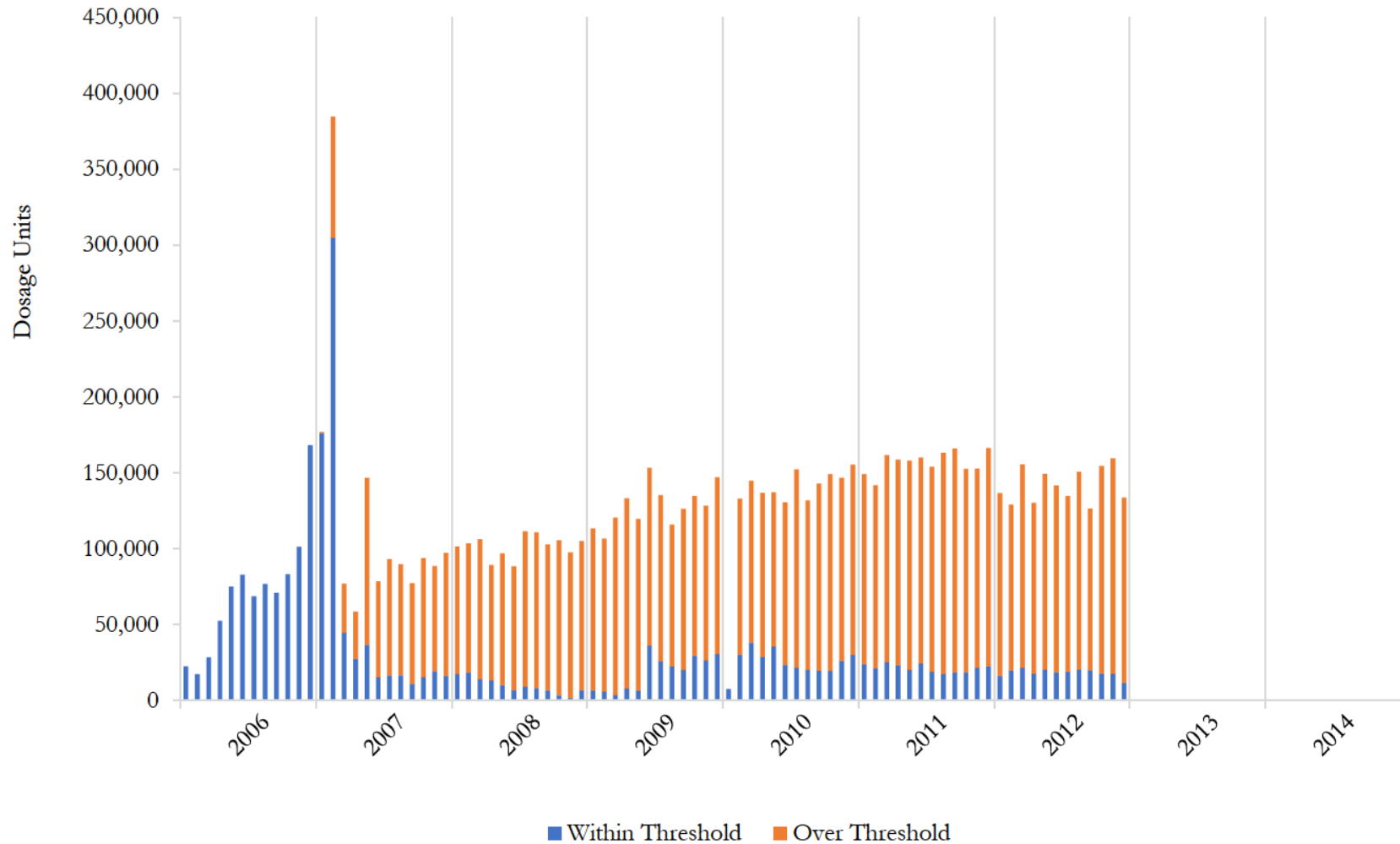
Watson 3: Once an order(s) exceeds 3 times the average daily order size of rolling 365-day or an order(s) in any month causes the cumulative shipments that month to exceed 3 time the average monthly order of prior 12-month in dosage units, all subsequent orders are considered flagged. This method assumes no due diligence on the first flagged order(s) and as a result, each and every order shipped thereafter to that individual buyer is unlawful.

Watson Oxycodone Monthly Shipments Identified by
Methodology: Watson Flagging Algorithm – Multiplier 3



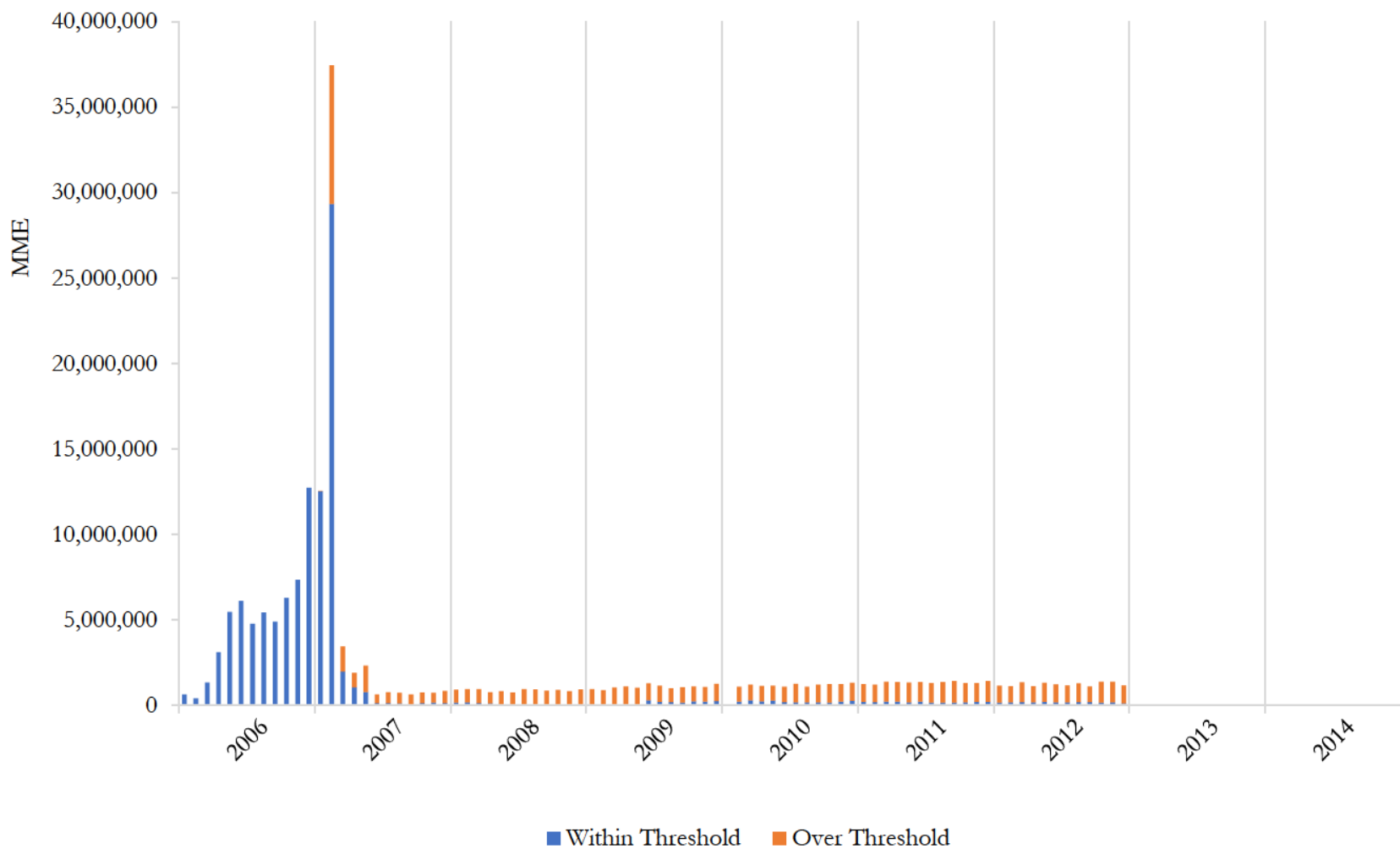
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Watson Oxycodone Monthly Shipments Identified by
Methodology: Watson Flagging Algorithm – Multiplier 3



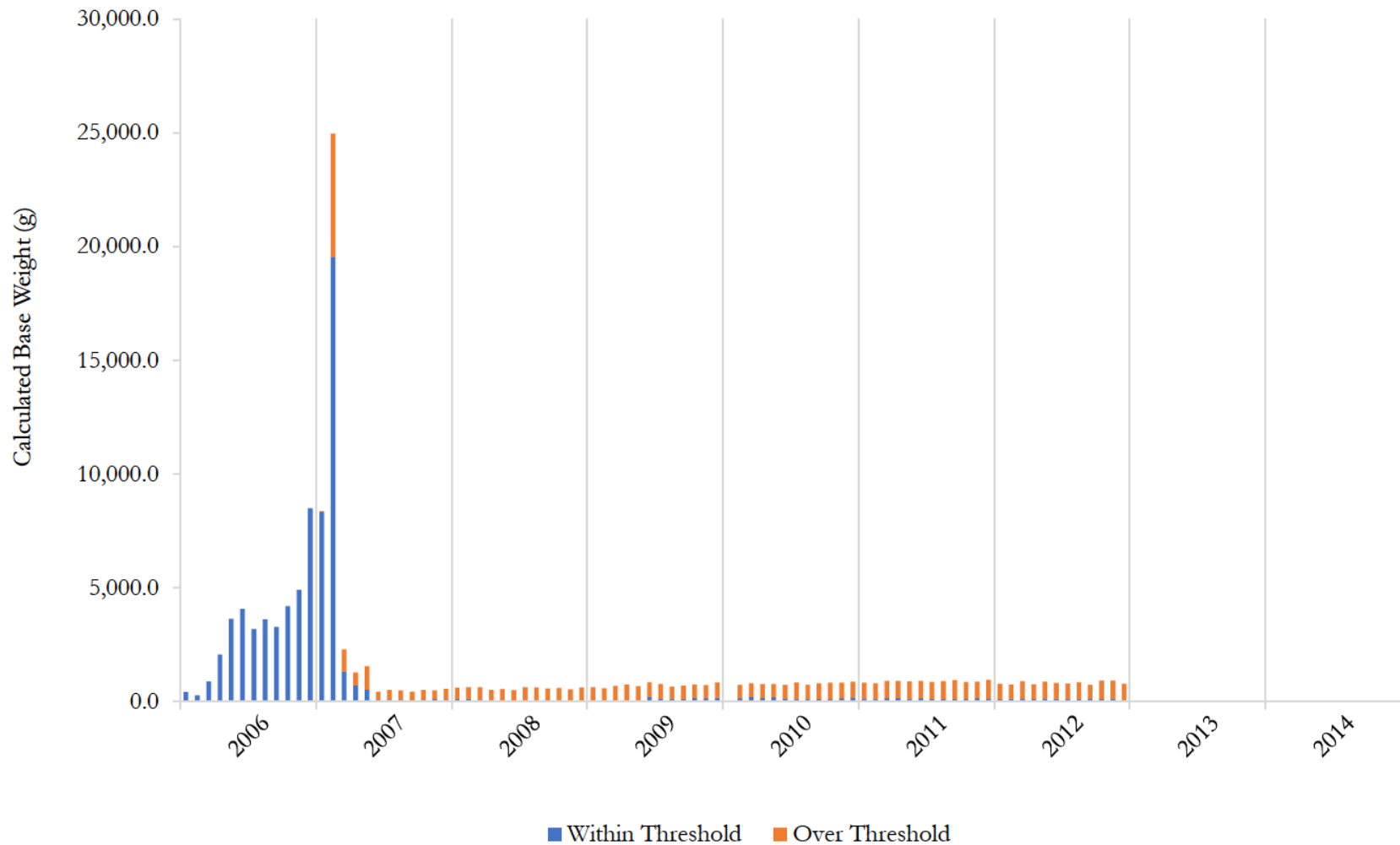
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Methodology: Watson Flagging Algorithm – Multiplier 3



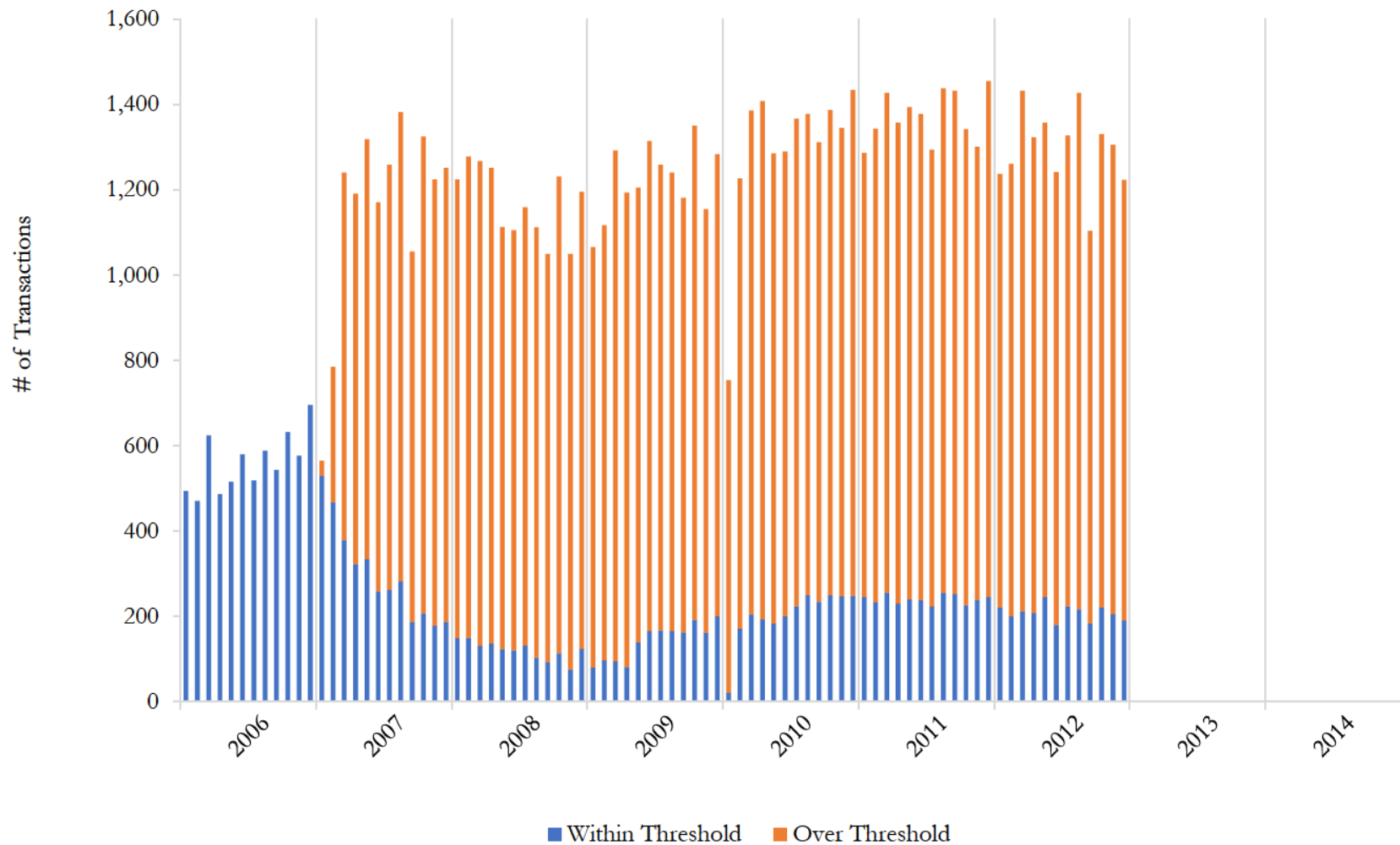
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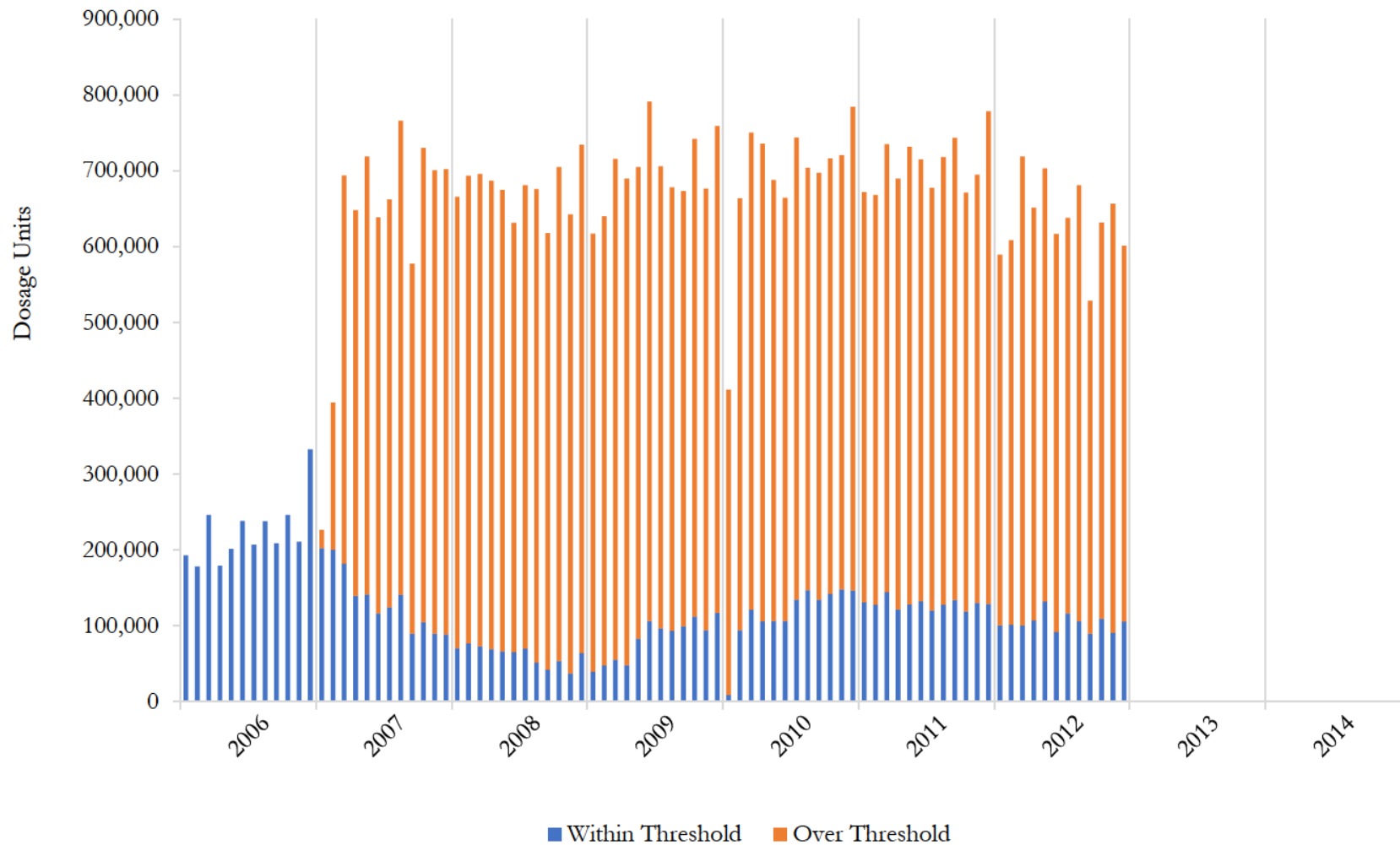
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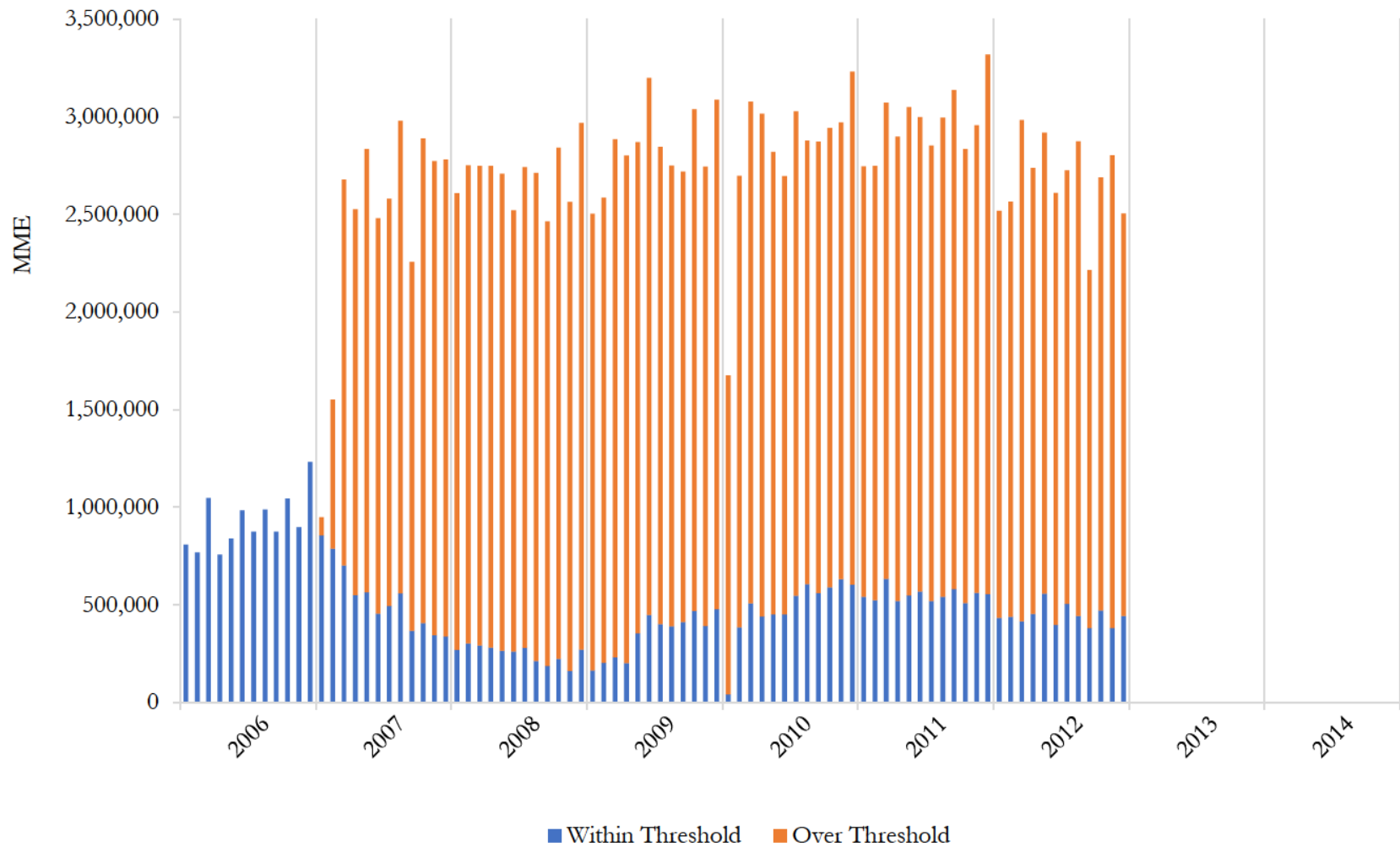
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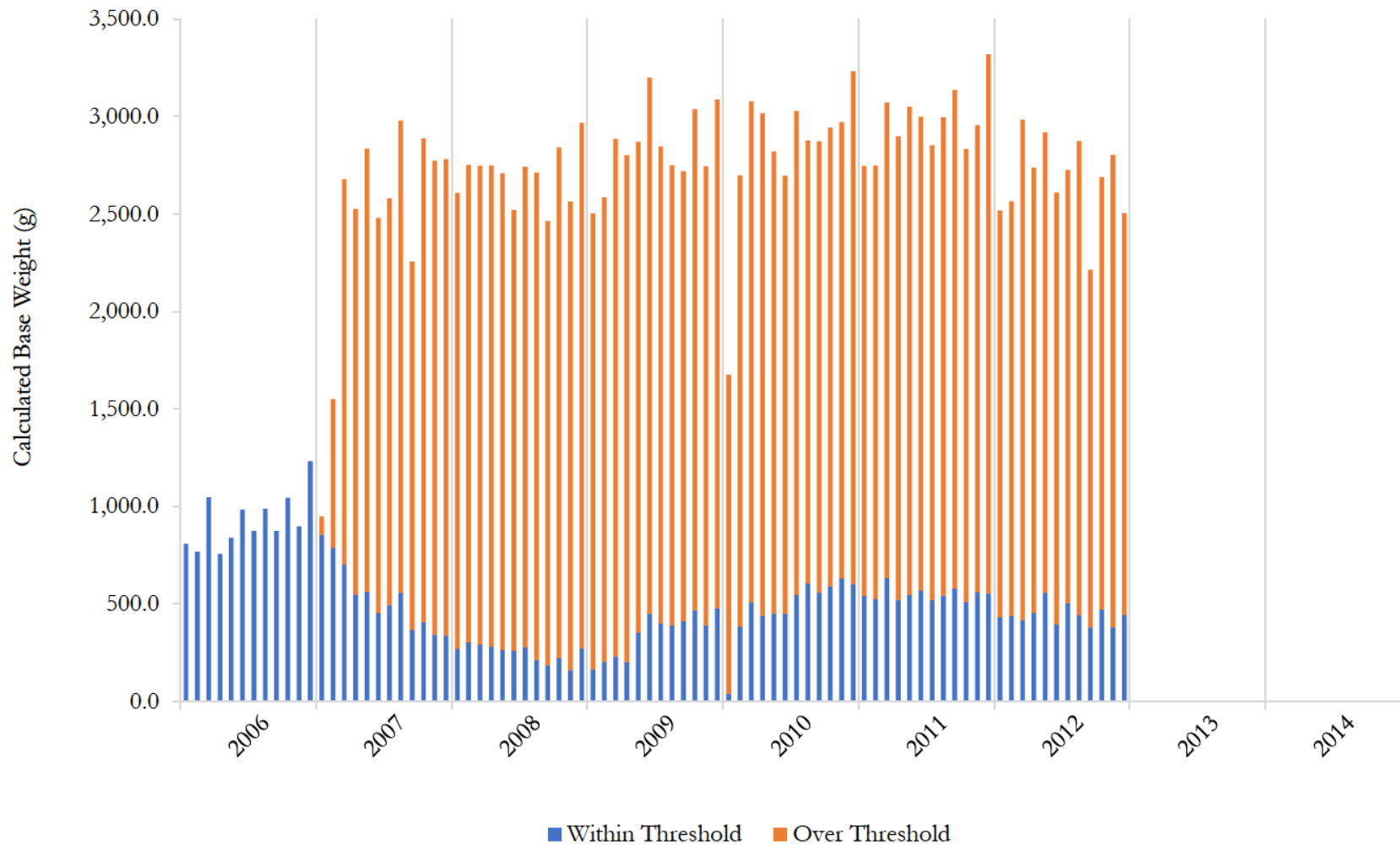
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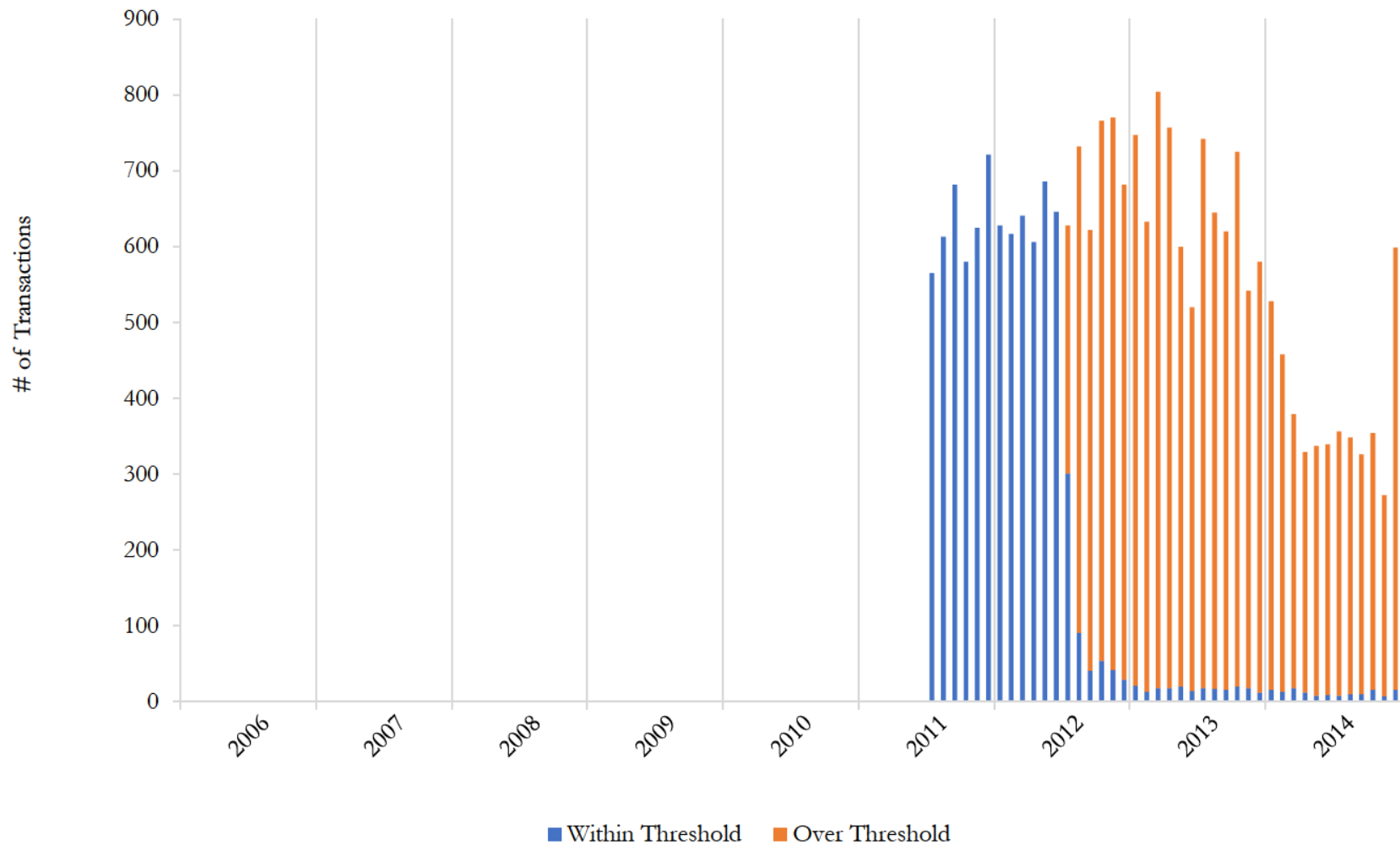
**Total Watson Shipments Identified by
Methodology: Actavis/Watson Flagging Algorithm – Multiplier 1.25
2006-2012**

	Oxycodone	Hydrocodone	Fentanyl	Codeine	Morphine	Hydromorphone	Oxymorphone	Tapentadol	Meperidine	Opium	Dihydrocodeine	Levorphanol	12 Drugs Total
Flagged Orders - # of Transactions	15,834	32,103	5,372	285	1,139	0	45	0	0	0	0	0	54,778
Total # of Transactions	24,350	50,071	8,799	794	3,388	33	119	0	0	0	0	0	87,554
Percentage of Total # of Transactions	65.0%	64.1%	61.1%	35.9%	33.6%	0.0%	37.8%	0.0%	0.0%	0.0%	0.0%	0.0%	62.6%
Flagged Orders - Dosage Units	6,766,400	15,356,200	95,455	36,500	133,780	0	5,640	0	0	0	0	0	22,393,975
Total Dosage Units	10,428,600	24,021,800	161,685	95,100	431,200	4,000	16,160	0	0	0	0	0	35,158,545
Percentage of Total Dosage Units	64.9%	63.9%	59.0%	38.4%	31.0%	0.0%	34.9%	0.0%	0.0%	0.0%	0.0%	0.0%	63.7%
Flagged Orders - MME	141,518,861	66,663,881	54,084,660	121,003	5,549,384	0	210,491	0	0	0	0	0	268,148,280
Total MME	218,644,789	103,445,145	90,800,330	315,271	18,661,106	191,506	725,143	0	0	0	0	0	432,783,289
Percentage of Total MME	64.7%	64.4%	59.6%	38.4%	29.7%	0.0%	29.0%	0.0%	0.0%	0.0%	0.0%	0.0%	62.0%
Flagged Orders - Calculated Base Weight (g)	94,346	66,664	539	807	5,549	0	70	0	0	0	0	0	167,975
Total Calculated Base Weight (g)	145,763	103,445	902	2,102	18,661	48	242	0	0	0	0	0	271,163
Percentage of Total Calculated Base Weight (g)	64.7%	64.4%	59.7%	38.4%	29.7%	0.0%	29.0%	0.0%	0.0%	0.0%	0.0%	0.0%	61.9%

Notes:

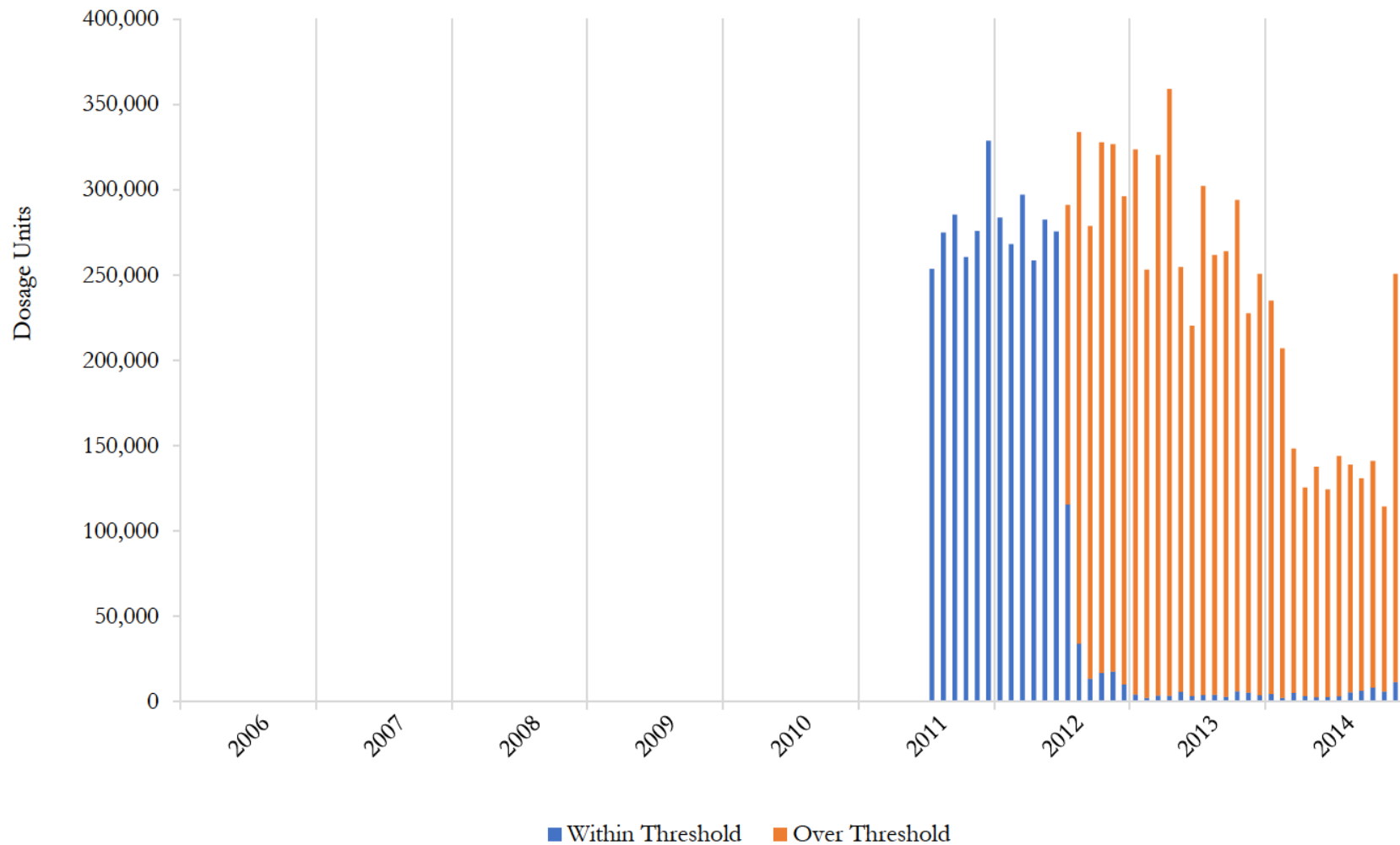
Actavis/Watson 1.25: Once an order(s) exceeds 1.25 times the average daily order size of rolling 365-day or an order(s) in any month causes the cumulative shipments that month to exceed 1.25 time the average monthly order of prior 12-month in dosage units, all subsequent orders are considered flagged. This method assumes no due diligence on the first flagged order(s) and as a result, each and every order shipped thereafter to that individual buyer is unlawful.

Actavis/Watson Oxycodone Monthly Shipments Identified by
Methodology: Actavis/Watson Flagging Algorithm – Multiplier 1.25



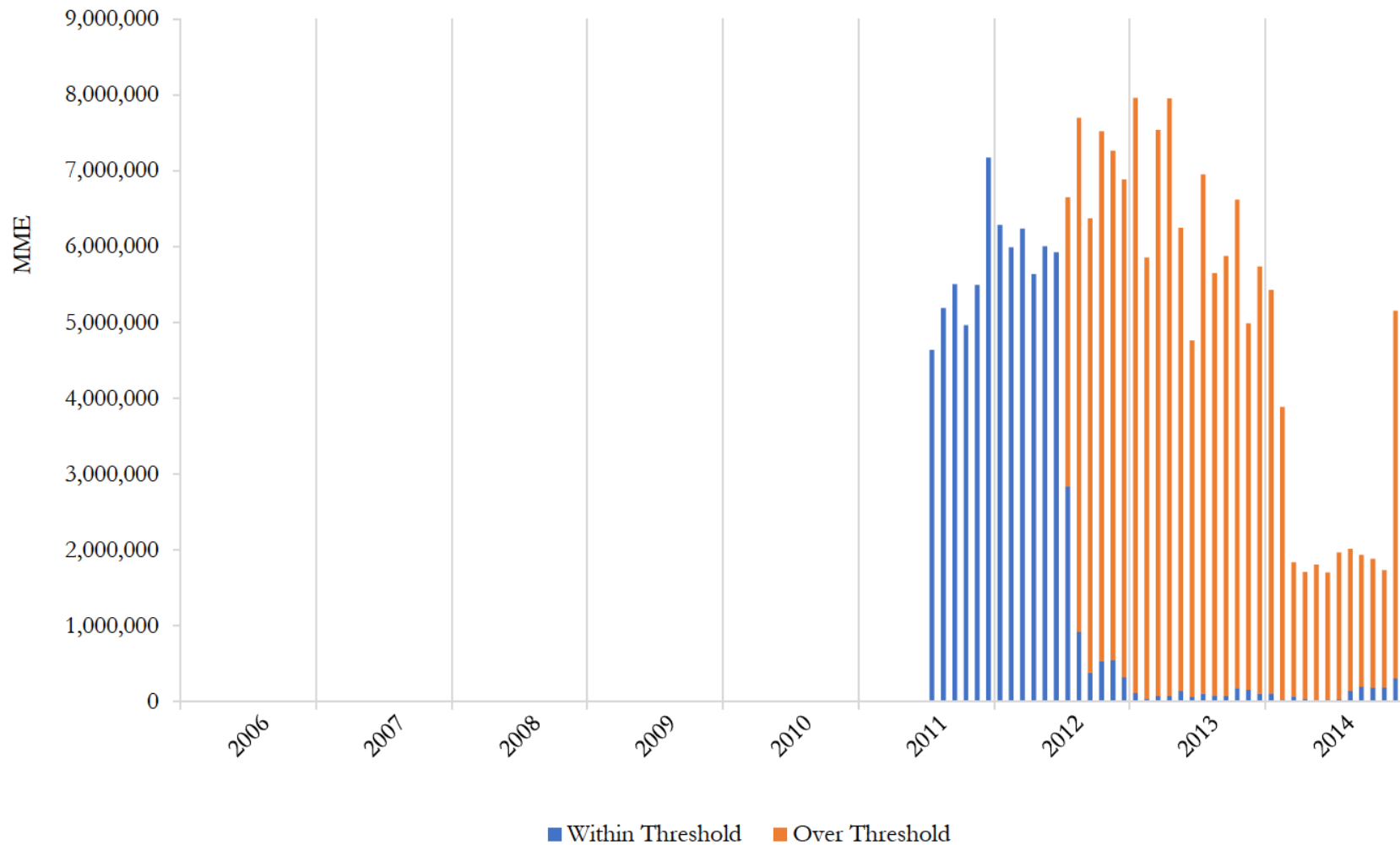
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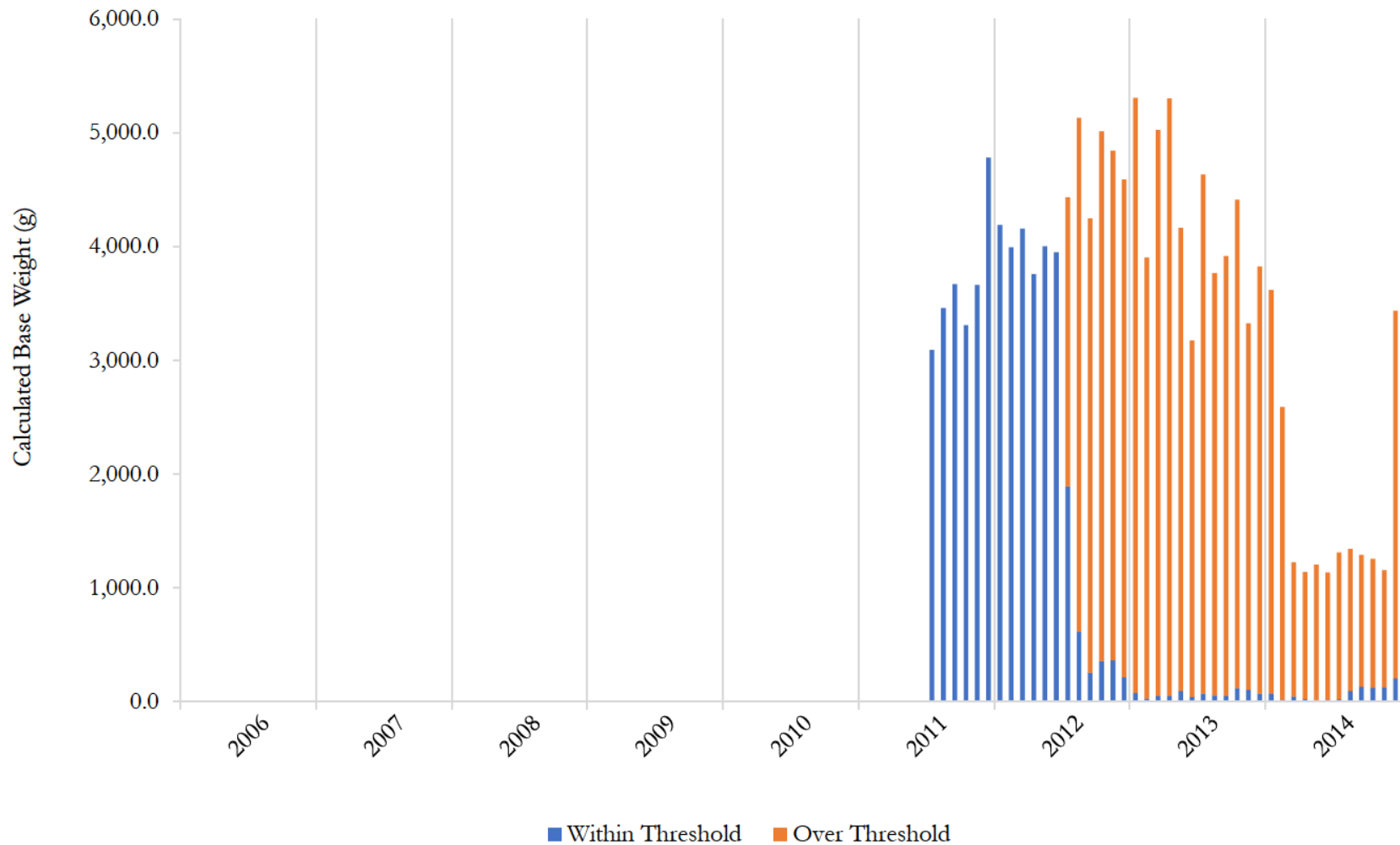
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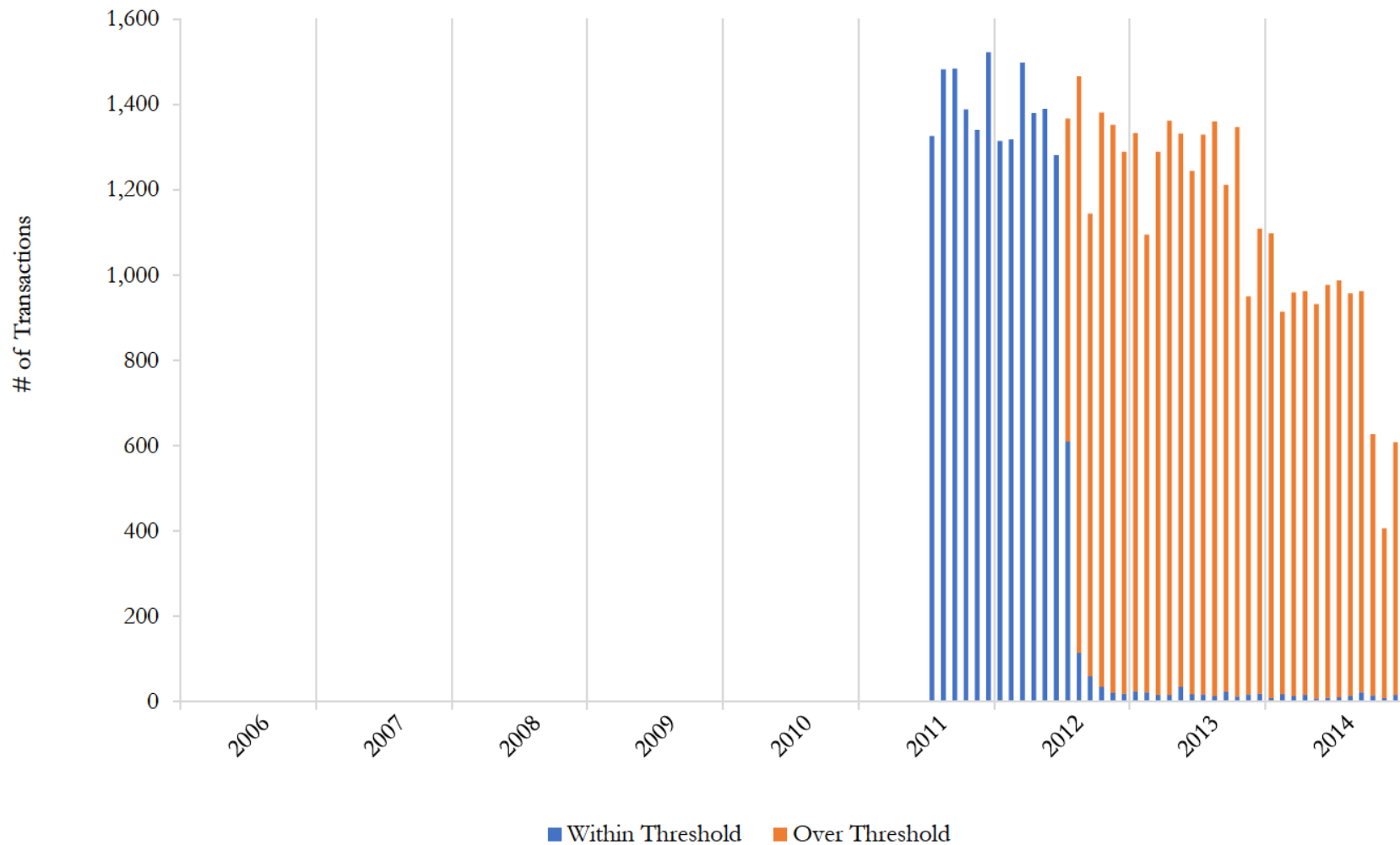
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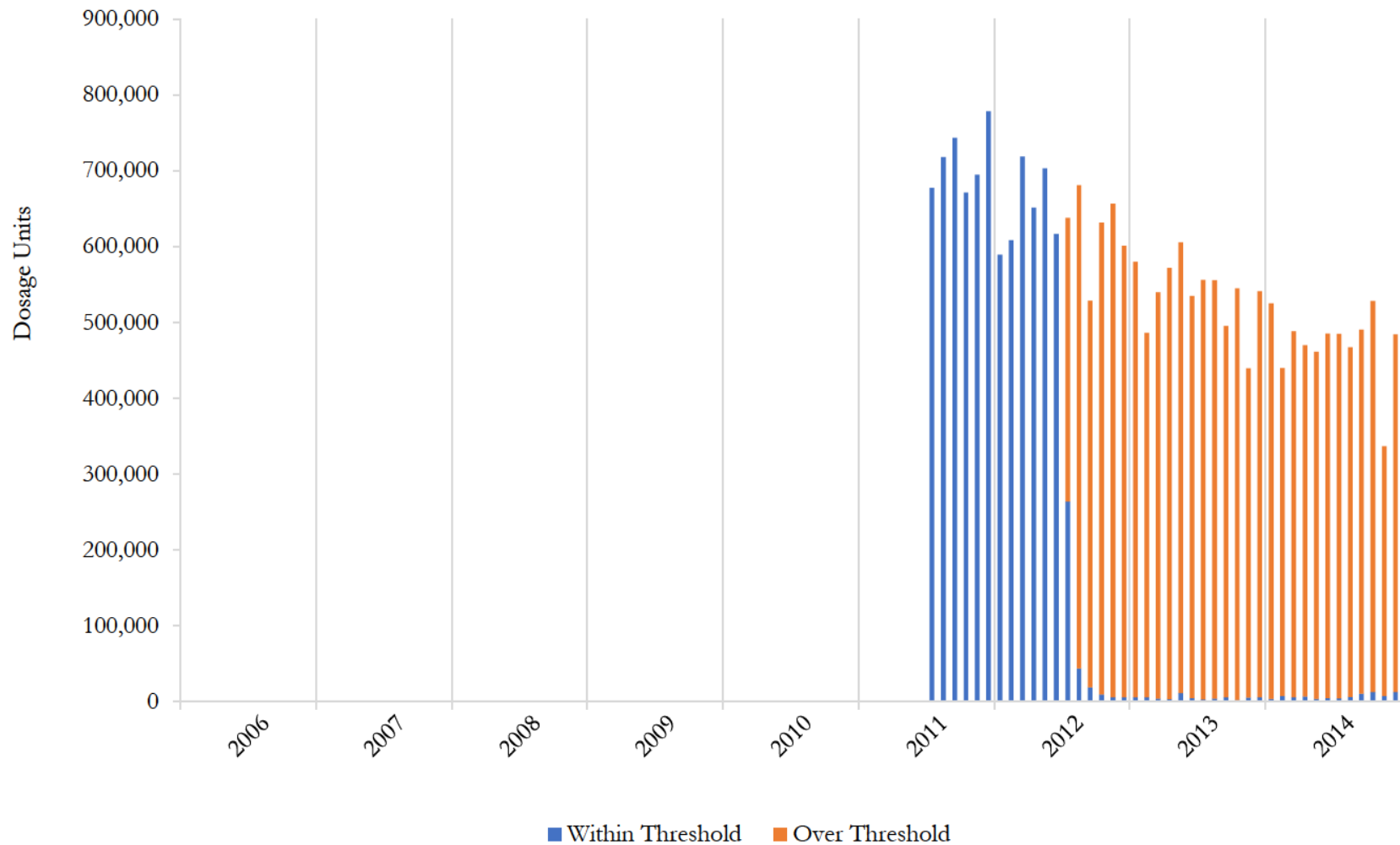
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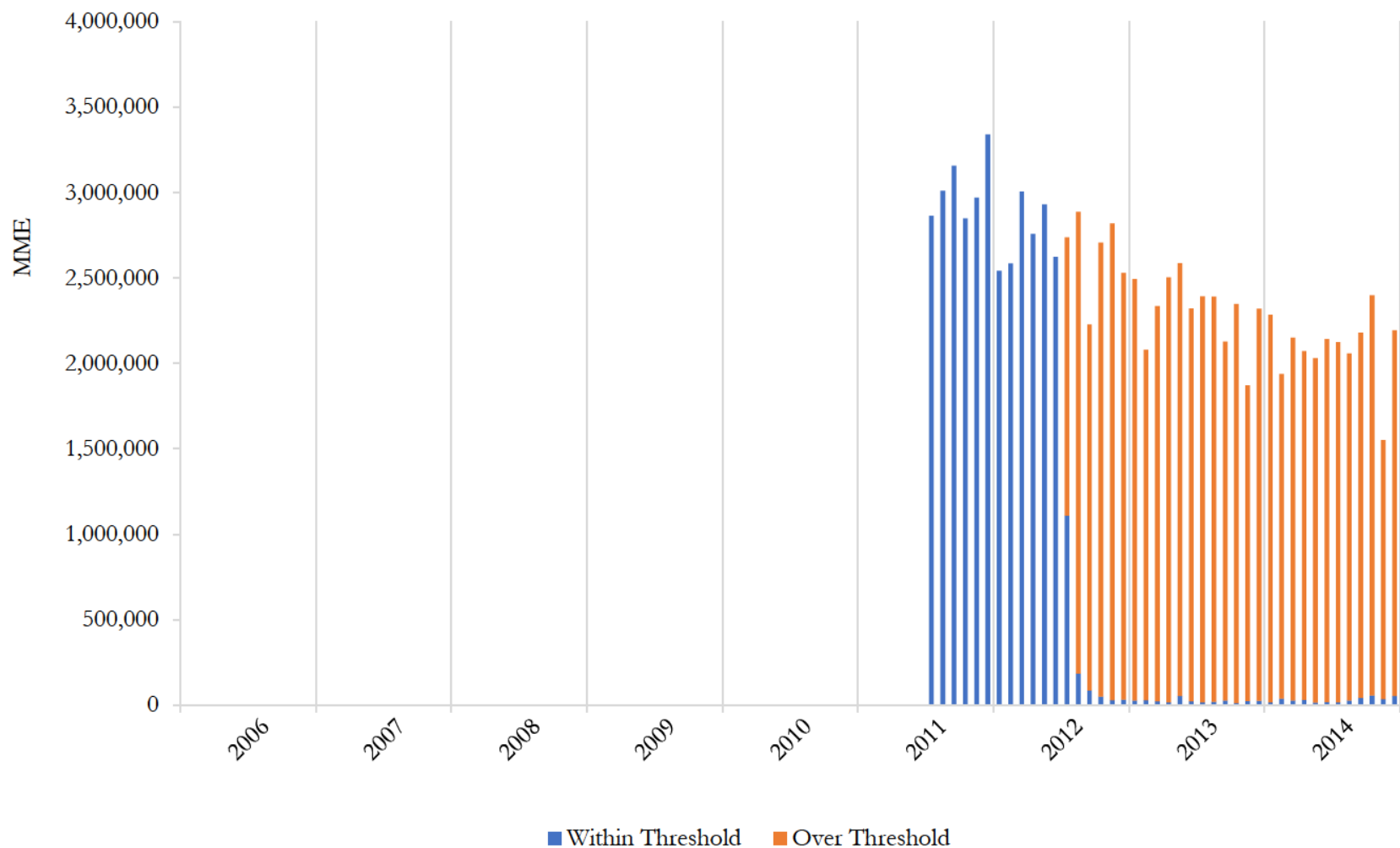
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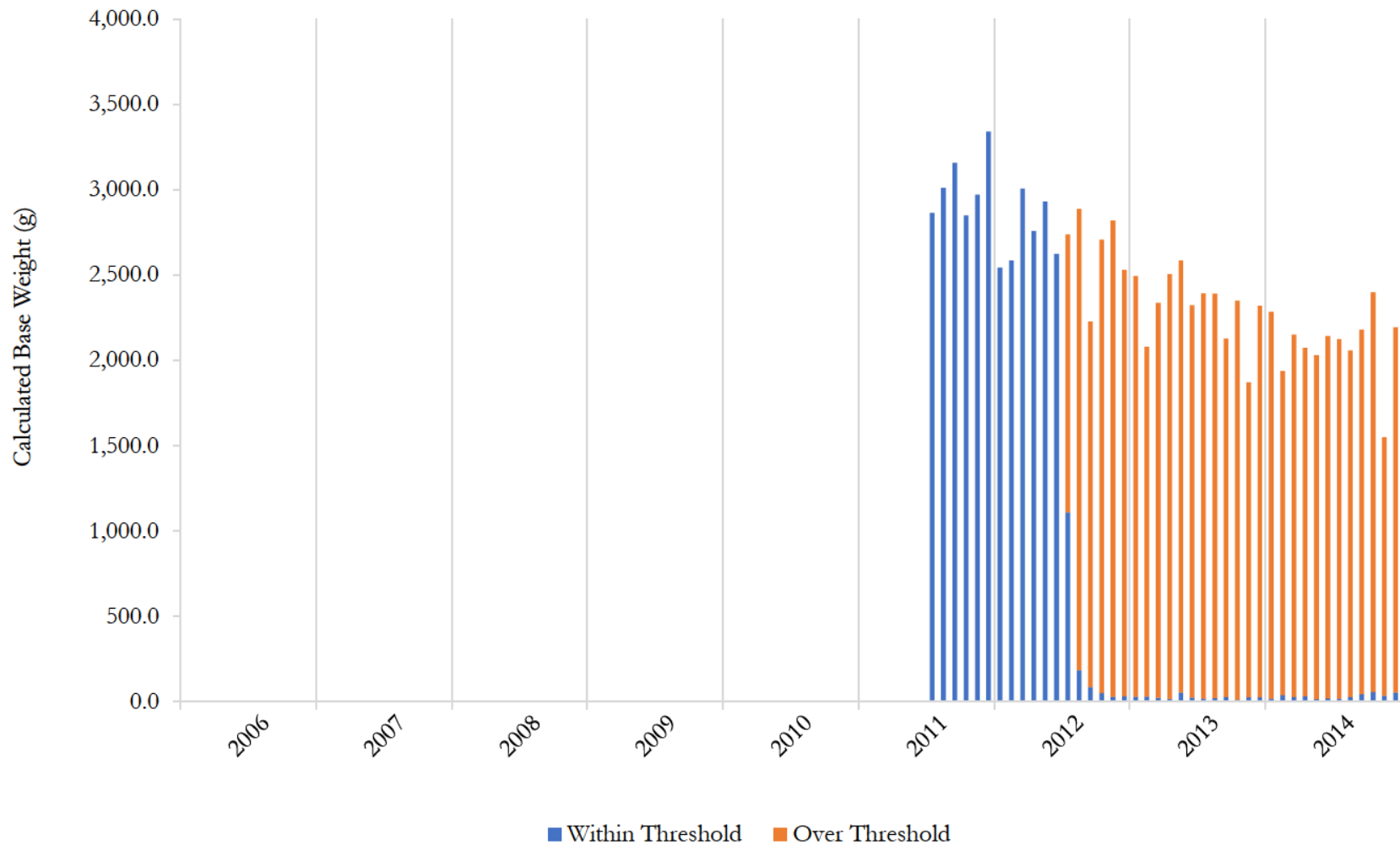
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