

1 Gary Jay Kaufman, Esq. (State Bar No. 92759)
2 *gary@kaufmanlawgrouppla.com*
3 Colin Hardacre, Esq. (State Bar No. 250915)
4 *colin@kaufmanlawgrouppla.com*
5 THE KAUFMAN LAW GROUP
6 1901 Avenue of the Stars, Suite 1010
7 Los Angeles, California 90067
8 Telephone: (310) 286-2202
9 Facsimile: (310) 712-0023

10 Attorneys for Plaintiff,
11 R&O Pharmacy, LLC

12 UNITED STATES DISTRICT COURT
13 CENTRAL DISTRICT OF CALIFORNIA

14 R&O PHARMACY, LLC, a California
15 limited liability company,

16 Plaintiff,

17 v.

18 VALEANT PHARMACEUTICALS
19 NORTH AMERICA LLC, a Delaware
20 limited liability company,

21 Defendant.

Case No. 2:15-cv-07846

**COMPLAINT FOR DECLARATORY
JUDGMENT**

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

4 I. INTRODUCTION

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

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

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

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

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

25 II. JURISDICTION AND VENUE

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

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

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

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

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

23 11. R&O vehemently denies that it owes Valeant any amount of money and
24 Valeant has failed to provide a single shred of evidence to support its claims. With
25 these very serious allegations looming, R&O is no longer willing to wait for Valeant to
26 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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- 1 2. For costs of suit herein, including attorneys' fees, where available; and
- 2 3. For such further relief that the Court deems just and proper.

3
4 DATED: October 6, 2015

THE KAUFMAN LAW GROUP

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7 By: _____/s/_____
8 Gary Jay Kaufman
9 Attorneys for Plaintiff,
10 R&O Pharmacy, LLC
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EXHIBIT A

EXHIBIT A



Valeant Pharmaceuticals North America, LLC
400 Somerset Corporate Blvd.
Bridgewater, NJ 08807
(908) 927 1400
www.Valeant.com

VIA FEDERAL EXPRESS

Mr. Russell Reitz
Manager of California Pharmacy Operations
and PIC/Store Manager
R&O Pharmacy, LLC
651 Via Alondra, Suite 708
Camarillo, CA 93012

Dear Mr. Reitz:

It has come to our attention that R&O Pharmacy, LLC ("R&O") has outstanding invoices to Valeant Pharmaceuticals ("Valeant"), as of August 31, 2015, reflecting gross invoiced amounts due of \$69,861,343.08.

Valeant is contacting you so that you may take the requisite steps to ensure immediate payment and avoid further damage to Valeant and other parties.

Valeant reserves the right to take any and all actions 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) incurred related to this matter. This also includes, without limitation, taking any and all actions against R&O and any relevant individuals for not meeting contractual commitments.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Chai-Onn'.

Robert Chai-Onn
Executive Vice President, Chief Legal Officer and General Counsel

EXHIBIT B

EXHIBIT B

THE KAUFMAN LAW GROUP

A PROFESSIONAL CORPORATION

1901 AVENUE OF THE STARS

SUITE 1010

LOS ANGELES, CALIFORNIA 90067

TEL (310) 286-2202

FAX (310) 712-0023

September 8, 2015

SENT VIA EMAIL: Robert.Chaionn@valeant.com
AND FEDERAL EXPRESS

Robert Chai-Onn, Esq.
Valeant Pharmaceuticals North America, LLC
400 Somerset Corporate Blvd.
Bridgewater, NJ 08807

Re: R&O Pharmacy, LLC

Dear Mr. Chai-Onn:

This office represents Russell Reitz and R&O Pharmacy, LLC ("R&O"). Your letter that Mr. Reitz received on September 4, 2015 via Federal Express has been forwarded to us for response.

Suffice it to say, your letter's allegation that R&O owes Valeant Pharmaceuticals North America, LLC ("Valeant") \$69,861,343.08 comes as a complete surprise, given that Mr. Reitz and R&O have never received a single invoice, or a single demand for payment from Valeant in any amount. Please forward us copies of all invoices that Valeant claims are unpaid.

More importantly, it appears that one of two things is true. Either:

1. Valeant and my clients 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 Mr. Reitz, R&O and others.

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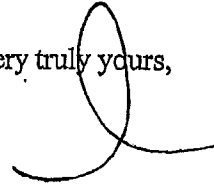
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Robert Chai-Onn, Esq.
09/08/15
Page 2 of 2

We should probably have a conversation. Please let me know some dates and times that work for you.

Very truly yours,

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal line that extends to the right and then curves back down.

GARY JAY KAUFMAN

GJK:ch