# EXHIBIT 7

# IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF PENNSYLVANIA

KING DRUG COMPANY OF FLORENCE, INC., et al.,	
on behalf of themselves and all others similarly situated,	Civil Action No.
Plaintiffs,	2:06-cv-01797-MSG
<b>v.</b>	
CEPHALON, INC., et al.,	
Defendants.	

AFFIDAVIT OF STUART E. DES ROCHES OF ODOM & DES ROCHES, LLP, IN SUPPORT OF MOTION FOR APPROVAL OF SETTLEMENT WITH THE CEPHALON DEFENDANT GROUP AND IN SUPPORT OF MOTION FOR AN AWARD OF ATTORNEYS' FEES AND EXPENSES

STATE OF LOUISIANA	)
	) ss.: 433-23-6752
PARISH OF ORLEANS	)

STUART E. DES ROCHES, being first duly sworn, deposes and says:

1. I am a partner in the law firm of Odom & Des Roches, LLP (hereinafter "the firm" or "ODR"). I submit this affidavit in support of the Motion for Approval of

the Settlement with the Cephalon Group and in support of the Motion for an Award of Attorneys' Fees and Expenses filed in connection with services rendered and expenses incurred in the above-captioned matter.

# **Involvement in the Case**

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- 2. The firm has participated in this case as co-counsel for King Drug Co. of Florence, Inc., Burlington Drug Company, Inc., and J.M. Smith Corp. d/b/a Smith Drug Co., three of the named plaintiff representatives for the Direct Purchaser Class Plaintiffs. By order of the Court, Andrew W. Kelly (a partner in the firm) and I were appointed to the Executive Committee representing the Direct Purchaser Class Plaintiffs. See Doc. Nos. 196, 830 and 831.
- 3. The firm has been actively involved in this matter from initiation of the pre-filing investigation, to filing of the complaint, throughout the fact and expert discovery process, in opposing various dispositive motions filed by defendants, in preparing for trial, in making live presentations at the various mediation sessions, and in reaching settlement with defendants Cephalon, Inc. ("Cephalon"), Teva Pharmaceuticals Industries, Ltd. and Teva Pharmaceuticals USA, Inc. ("Teva"), and Barr Laboratories, Inc. ("Barr")(collectively, the "Cephalon Defendant Group") on behalf of the Direct Purchaser Class Plaintiffs.
- 4. Specifically, ODR was involved in conducting a pre-filing investigation relating to (a) the various agreements between Cephalon and Teva, Barr, Ranbaxy Laboratories, Ltd. and Ranbaxy Pharmaceuticals, Inc. ("Ranbaxy"), and Mylan Pharmaceuticals, Inc. and Mylan Laboratories, Inc. ("Mylan") (collectively, the "Generic Defendants"); (b) the applicable regulatory background underlying and

Cephalon and the Generic Defendants, including Cephalon's possession of New Chemical Exclusivity, Pediatric Exclusivity, and Orphan Drug Exclusivity for Provigil, as well as possession of a 30-month stay against the approval of the Generic Defendants' Abbreviated New Drug Applications ("ANDAs") for generic versions of Provigil as a result of having filed suit against the Generic Defendants over the RE'516 patent; (c) the ability and willingness of the Generic Defendants to enter the market earlier with AB-rated generic versions of Provigil "but for" the existence of the RE'516 patent, the RE'516 patent litigation, and the challenged reverse payments agreement in the face of the aforementioned regulatory exclusivities; and (d) the proper market definition for this case.

- 5. King Drug filed its complaint with this Court on April 27, 2006, which was the first publicly filed antitrust case to challenge the agreements of the defendants and Cephalon's behavior with respect to the RE'516 patent. Thereafter, amended complaints were filed to add additional direct purchaser class plaintiffs and to amplify allegations. Not long thereafter, the Court appointed ODR to the five member Direct Purchaser Class Plaintiffs' Executive Committee and appointed the firm of Garwin Gerstein & Fisher, LLP as sole lead counsel. As a member of the Executive Committee, ODR was actively involved with devising and implementing an overall litigation plan, and ensuring that all litigation tasks were appropriately staffed, pursued and executed in an efficient fashion.
- 6. More specifically, the firm participated in the following detailed litigation tasks once the pre-filing investigation was conducted and the complaint was filed: (a)

drafting oppositions to various dispositive motions including motions to dismiss and motions for summary judgment, including the plaintiffs' detailed statement of uncontested facts in opposition to defendants' motions for summary judgment; (b) drafting oppositions to various of the defendants' Daubert motions, as well as drafting affirmative Daubert motions; (c) drafting numerous requests for production of documents and interrogatories; (d) taking a primary role in the meet-and-confer processes with the Generic Defendants regarding their responses and objections to plaintiffs' request for production of documents and interrogatories; (e) negotiating stipulations with the defendants regarding key facts that would otherwise be disputed, including the Generic Defendants' manufacturing capacities and abilities; (f) assisting in the review of more than a million pages of documents obtained from defendants and third parties; (g) developing a searchable database which allowed efficient and meaningful access to the above-described documents; (h) constructing a deposition strategy and identifying key witnesses associated with the defendants for deposition; (i) working with experts and consultants in the fields of patents, antitrust economics, FDA regulations and procedures, and operation of pharmaceutical companies in terms of identifying and sourcing active pharmaceutical ingredients ("API") from third parties; (i) preparing for and attending various status conferences and hearings; (k) trial preparations; and (l) preparing for and participating in several mediation sessions during which the firm made live presentations.

7. Regarding depositions, ODR either took the lead or substantially participated in the following depositions on behalf of the Direct Purchaser Class Plaintiffs: (a)

Richard Egosi (General Counsel, Teva) - lead examination; (b) Phillip Erickson (Regulatory Affairs, Teva) – lead examination; (c) Laurie Gery (New Product Manager, Teva) – lead examination; (d) Fred Killion (General Counsel, Barr) – lead examination; (e) Mike Bogda (Director of Manufacturing, Barr) – lead examination; (f) Edward Eichmann (Regulatory Affairs, Barr) – lead examination; (g) Wayne Talton (Regulatory Affairs, Mylan) - lead examination; (h) Scott Tomsky (Regulatory Affairs, Ranbaxy) – lead examination; (i) Robert Chapman (Director of API Technologies, Cephalon) - examiner; (j) James Coonan (Director of Tactical Supply Management, Cephalon) - examiner; (k) Bob Schaefer (President, ChemAgis US) - lead examination; (1) Gregory K. Bell, Ph.D. (Expert Economist for defendants) – lead examination; (j) Louis Berneman (Licensing Expert for defendants) – examiner; and (k) Bruce Stangle, Ph.D. (Expert Economist for defendants) – examiner. The firm also actively assisted in outlining issues to be covered and identifying documents to be used in the depositions of Ken Fiorelli (VP Global Manufacturing, Cephalon), Todd MacLaughlin (VP Cephalon, General Manager of CIMA Labs), Venkatachalam Krishnan (Director of North American Operations, Ranbaxy), Samir Pandit (VP Marketing, Ranbaxy), John Deiriggi (Chief Operating Officer, Mylan), Jason Harper (Executive Director of Portfolio Management, Mylan), and Sharon Kochan (Senior VP of Business Development, Perrigo).

8. Also, ODR was substantially involved in working with several experts and preparing those experts for their depositions. Specifically, ODR worked closely with Prof. Jay Thomas (Hatch-Waxman Act and FDA regulations regarding drug

product approvals, regulatory exclusivities for drug products, and patent processes) and Shannon McCool (processes for identifying and contracting with third-party suppliers of ingredients for FDA approved drugs). ODR also had substantive participation with other experts such as Jeffrey Leitzinger (antitrust economics and overcharge damage calculations) and Prof. Einer Elhauge

9. ODR has also been a core member of the Direct Purchaser Class Plaintiffs' settlement team. This work has involved, among other things, drafting portions of various mediation statements, including sections explaining the anticompetitive nature of the API side deals (*i.e.*, why they are both "large" and "unexplained") and describing the more competitive world that would have existed "but for" the RE'516 patent, the RE'516 patent litigation, and reverse payment agreements at issue (*i.e.*, explaining the evidence demonstrating that the Generic Defendants were planning to launch "at risk" in 2006 absent the settlement agreements at issue); preparing for and delivering live presentations to the mediators; and thereafter participating in the active negotiation sessions.

#### Attorneys' Fees and Costs/Expenses

(antitrust economics).

10. Prosecution of this case has been, and will continue to be, a daunting task in terms of the complex antitrust theories involved; the complexity of the pharmaceutical, regulatory, patent, economic, and scientific issues underlying the antitrust claims, which required detailed analysis by lawyers and experts in these various fields; the volume of information and documents obtained, reviewed and analyzed; the number of fact and expert depositions; the number of parties involved; and

- Based on my seventeen (17) years of litigating Hatch-Waxman antitrust cases on behalf of direct purchaser classes, I can attest to the risk of non-recovery. Some of these cases have been lost at the motion to dismiss, motion for summary judgment or jury trial stages, after the expenditure of enormous resources (time and money). The risk of non-recovery here was particularly high given the hotly contested nature of the legal standard surrounding reverse-payment analysis, which continues to evolve even to this day.
- 12. Contained below is a chart demonstrating the time spent on this case by the firm and the lodestar calculation based on the firm's current billing rates for complex antitrust litigation. The schedule was prepared from contemporaneous daily time records regularly prepared and maintained by the firm, which are available for the Court's inspection if necessary.

Name & Position	Hourly Rate	Total Hours	Lodestar
John G. Odom (Senior Partner)	\$875	18.00	\$15,570.00
Stuart E. Des Roches (Partner)	\$800	3,655.00	\$2,924,000.00
Andrew W. Kelly (Partner)	\$675	177.00	\$119,475.00
Chris Letter (Partner)	\$550	1,414.25	\$777,837.50
Charles F. Zimmer (Partner)	\$575	968.50	\$556,887.50
Craig Glantz (Of Counsel)	\$600	1,214.25	\$728,550.00
Adelaide Ferchmin (Associate)	\$350	29.25	\$10,237.50
John Alden Meade (Associate)	\$500	12.75	\$6,375.00
David C. Pellegrin (Associate)	\$300	113.00	\$33,900.00

John E. Fitzpatrick	\$400	73.50	\$29,400.00
(Associate)			
Annie M. Schmidt	\$300	496.00	\$148,800.00
(Associate)			
Dan C. Chiorean	\$300	312.00	\$93,600.00
(Associate)			
Megan Jordan	\$120	48.75	\$5,850.00
(Law Clerk)			
Jay Mattapaly	\$150	272.00	\$40,800.00
(Law Clerk)			
Amy Kennelly	\$120	925.50	\$111,060.00
(Paralegal)			
Kim Fontenot	\$150	819.25	\$122,887.50
(Paralegal)			
Andrea Achary	\$120	427.50	\$51,300.00
(Paralegal)			
Carolyn Deyo	\$120	99.00	\$11,880.00
(Paralegal)			
		Total Hours:	Total Lodestar:
		11,075.50	\$5,788,410.00

- 13. The total number of hours expended on this litigation by the firm (excluding time related to continued litigation efforts against Ranbaxy and Mylan) is 11,075.50.
  The total lodestar for the firm is \$5,788,410.00.
- 14. In addition, ODR has incurred a total of \$545,142.12 in un-reimbursed expenses in connection with prosecution of this case. The expenses and costs incurred in this action are reflected in the firm's detailed Work-In-Progress ("WIP") Report, which is available to the Court upon request. The WIP Report is prepared from expense vouchers, check records and other source materials and is an accurate recordation of actual expenses and costs incurred. The categorical breakdown of un-reimbursed costs and expenses is as follows:

Advances to litigation fund	\$432,500.00	
Copy costs	\$30,685.84	
Postage/Courier Services	\$3,282.74	
Travel expenses	\$77,913.62	
Long distance/fax	\$549.24	
Service of subpoenas/Court costs	\$40.00	
Computer research	\$170.68	
Total	\$545,142.12	

# **Experience of ODR**

312.7 (192)

- 15. With respect to standing of counsel in this case, attached hereto is a brief biography of the firm and the primary attorneys who were involved in this case. The firm has engaged in antitrust litigation for many years, including over seventeen years of litigating Hatch-Waxman antitrust cases on behalf of direct purchaser class plaintiffs.
- 16. Also, in prior years ODR engaged in non-class contingency fee litigation, including non-class antitrust litigation in the pharmaceutical industry. The firm's typical contingency fee arrangement was to be compensated at least one-third of any recovery.

SO SWORN, this 10<sup>th</sup> day of September, 2015, at New Orleans, Louisiana.

Stuart E. Des Roches, Esq.

Sworn to before me, this day of September, 2015.

JOHN E. FITZPATRICK, III

NOIARYPUBLIC

BAR#31155

STATE OF LOUISIANA

MY COMMISSION IS FOR LIFE

Notary Public

#### **ODOM & DES ROCHES, LLP**

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#### Firm Resume

Odom & Des Roches, LLP, engages in multi-party litigation of complex civil matters throughout the United States. The firm's clients include local businesses, national and international companies, and private individuals.

The lawyers of Odom & Des Roches, LLP, have particular depth of experience in antitrust litigation, corporate litigation, and pharmaceutical industry litigation. The firm routinely handles complex class action cases and other matters both inside and outside the Multi-District Litigation context. The firm's partners have served as lead trial counsel in several national antitrust class cases that have gone to trial in various federal courts around the country.

The firm has been intimately involved in, among others, the following national antitrust class action and non-class action cases:

- <u>In re AndroGel Antitrust Litig.</u>, Civil Action No. 09-md-2084, N.D. Ga. (district court appointment to executive committee for Sherman Act Class Plaintiffs) (case pending).
- <u>In re Brand Name Prescription Drugs Antitrust Litig.</u>, Civil Action No. 94-C-897, E.D.N.Y. (representation of 3,800 non-class independent retail pharmacy operations) (private settlements reached with many defendants).
- <u>In re Buspirone Antitrust Litig.</u>, MDL Docket No. 1410, S.D.N.Y. (district court appointment to steering committee representing Sherman Act Class Plaintiffs) (district court-approved settlement of \$220,000,000).

- <u>In re Cardizem CD Antitrust Litig.</u>, MDL Docket No. 1278, E.D. Mich. (district court appointment to discovery committee representing Sherman Act Class Plaintiffs) (district court-approved settlement of \$110,000,000).
- <u>In re Hypodermic Direct Purchaser Antitrust Litig.</u>, Civil Action No. 05-1602, D.N.J. (district court appointment to executive committee representing Sherman Act Class Plaintiffs) (district court-approved settlement of \$45,000,000).
- <u>In re K-Dur Antitrust Litig.</u>, MDL Docket No. 1419, D.N.J. (district court appointment to executive committee representing Sherman Act Class Plaintiffs) (case pending).
- In re Lamictal Direct Purchaser Antitrust Litig., Civil Action No. 2:12-cv-00995 D.N.J. (counsel for Sherman Act Class Plaintiffs) (case pending).
- In re Neurontin Antitrust Litig., MDL Docket No. 1479, D.N.J. (counsel for Sherman Act Class Plaintiffs) (district court-approved settlement of \$190,000,000).
- In re Nexium (Esomeprazole) Antitrust Litig., Civil Action No.1:12-md-02409, D. Mass. (counsel for Sherman Act Class Plaintiffs) (case pending).
- <u>In re Relafen Antitrust Litig.</u>, Master File No. 01-12239, D. Mass. (counsel for Sherman Act Class Plaintiffs) (district court-approved settlement of \$175,000,000).
- <u>In re Remeron Antitrust Litig.</u>, Civil Action No. 03-CV-0085, D.N.J. (counsel for Sherman Act Class Plaintiffs) (district court-approved settlement of \$75,000,000).
- In re: Suboxone (Buprenorphine Hydrochloride and Nalaxone) Antitrust Litig., MDL No. 2445, E.D. Pa. (counsel for Sherman Act Class Plaintiffs) (case pending).
- <u>In re Terazosin Hydrochloride Antitrust Litig.</u>, MDL Docket No. 1317, S.D. Fla. (counsel for Sherman Act Class Plaintiffs) (district court-approved settlement of \$72,500,000).
- <u>In re TriCor Direct Purchaser Antitrust Litig.</u>, Civil Action No. 05-340, D. Del. (district court appointment to plaintiffs' executive committee representing Sherman Act Class Plaintiffs; served as lead trial counsel) (district court-approved settlement of \$250,000,000).
- <u>King Drug of Florence, Inc., et al. v. Cephalon, Inc., et al.</u>, Civil Action No. 2:06-cv-01797, E.D. Pa. (district court appointment to executive committee for Sherman Act Class Plaintiffs) (case pending).

- Meijer, Inc. et al. v. Abbott Laboratories, Civil Action No. 4:07-cv-05985, N.D. Cal. (counsel for Sherman Act Class Plaintiffs) (district court-approved settlement of \$52,000,000).
- <u>Natchitoches Parish Hospital Service District, et al. v. Tyco International (US), et al.</u>, Civil Action No. 05-12024, D. Mass. (counsel for Sherman Act Class Plaintiffs; served as lead trial counsel) (district court-approved settlement of \$32,500,000).

The core of the firm's philosophy and practice is its commitment and ability to try jury cases, and its lawyers structure their strategy from the outset of an engagement with an eye towards eventual appearances in the courtroom for motion practice and jury trials. It is the firm's philosophy and experience that being prepared for the rigors of motion practice and trial maximizes the opportunities for the client to obtain favorable results. In addition to its active jury trial practice, the firm has extensive appellate experience, and its senior partner argued and won the unanimous reversal of a federal circuit court of appeals before the United States Supreme Court. Odom & Des Roches, LLP, which is rated "AV" by Martindale-Hubbell, maintains offices in New Orleans, Louisiana and Hahira, Georgia. The firm is listed in Martindale-Hubbell's "Bar Register of Preeminent Lawyers".

### **PARTNERS**

John Gregory Odom, PLC. Mr. Odom was born in Hahira, Lowndes County, Georgia on November 29, 1951, and was admitted to the bar of the State of Georgia in 1978, the District of Columbia in 1982, and the State of Louisiana in 1983. He is also admitted to the bars of numerous United States District Courts and Courts of Appeals throughout the country, as well as the United States Supreme Court. He practiced with a leading Savannah firm for several years, and was a business litigation partner in the second-largest firm in Louisiana for seven years before leaving to form his own firm in 1990.

Mr. Odom was educated at Yale University (B.A., cum laude, 1973); The Queen's College, Oxford University (B.A. (hons.), 1975; M.A., 1981); and the University of Virginia School of Law (J.D., 1978). He is the author of "Recent Developments in Litigation Under the Racketeer Influenced and Corrupt Organizations Act and Federal Securities Law," Manual of Recent Developments in the Law, Louisiana State Bar Association, 1987-1990, and "Creative Applications of Civil RICO," 11 Am. J. Trial Adv. 245, Fall, 1987. His regular areas of practice include corporate litigation; healthcare industry litigation; securities litigation; RICO litigation; professional liability litigation; class action litigation; and antitrust litigation.

**Stuart E. Des Roches.** Mr. Des Roches was born in New Orleans, Louisiana on August 12, 1966, and was admitted to the bar for the State of Louisiana in 1992. He has practiced continuously with Mr. Odom since 1992 and was made a partner in the firm in 1998. He is admitted to practice in numerous United States District Courts and Courts of Appeals throughout the country, as well as the

United States Supreme Court. Mr. Des Roches was educated at the University of New Orleans (B.A., 1989), and Tulane University School of Law (J.D., 1992), and is a member of the New Orleans, Louisiana, and American Bar Associations, and the United States Supreme Court Historical Society.

Mr. Des Roches has routinely practiced antitrust law for the past twenty years, and has particular experience in antitrust litigation relating to the Hatch-Waxman Act, the pharmaceutical industry, and medical devices. Mr. Des Roches served as the lead trial lawyer for the class of direct purchasers in *In re Tricor Direct Purchaser Antitrust Litigation* (D. Del.), which resulted in the largest settlement at that time of a Hatch-Waxman antitrust case (\$250,000,000) after commencement of trial. He also served as co-lead trial counsel with the firm's partner Mr. Kelly in *Natchitoches Parish Hospital Service District, et al. v. Tyco Healthcare, et al.* (D. Mass.), which settled for \$32,500,000 after three weeks of trial and on the eve of closing arguments. He has also been involved in various other litigation matters, including numerous trials, in the areas of general business and accountant's liability defense.

Andrew W. Kelly. Mr. Kelly was born in Bellefonte, Pennsylvania on December 6, 1966, and was admitted to the bar for the States of California and Louisiana in 1994. He is admitted to practice in the United States District Courts for the Eastern, Middle, and Western Districts of Louisiana, and the Southern District of California; and the United States Court of Appeals for the Fifth Circuit. Mr. Kelly was educated at the University of California at Berkeley (B.A., 1988), and the University of San Diego School of Law (J.D., 1994). He served as law clerk to the Honorable John Minor Wisdom, of the United States Court of Appeals for the Fifth Circuit. His regular areas of practice include business litigation; class action litigation; and antitrust litigation. Along with Mr. Des Roches, Mr. Kelly served as co-lead trial counsel for the class of direct purchasers in *Natchitoches Parish Hospital Service District, et al. v. Tyco Healthcare, et al.* (\$32,500,000 settlement three weeks into trial). He is also available for counseling on criminal defense matters.

#### ASSOCIATES

John E. Fitzpatrick, III. Mr. Fitzpatrick was born in New Orleans, Louisiana on May 9, 1968. He earned a J.D. from Loyola University School of Law in 2006, and received a Bachelor of Arts degree from Loyola University in 2001. Mr. Fitzpatrick is admitted to practice before the Louisiana Supreme Court and the several courts of the State of Louisiana. He is also admitted to practice in all United States District Courts in Louisiana, and the Fifth Circuit Court of Appeals. He actively participates in the firm's antitrust litigation practice.

Chris Letter. Mr. Letter was born in Philadelphia, Pennsylvania on August 30, 1974. He earned a J.D. from Loyola University of New Orleans School of Law in 2007 and received a Bachelor of Arts degree in history from the University of New Orleans in 1998. Mr. Letter is admitted to practice in the Louisiana Supreme Court and the several courts of the State of

Louisiana. He is also admitted to practice in the United States District Courts in Louisiana, and the Fifth Circuit Court of Appeals. He actively participates in the firm's antitrust litigation practice.

Annie M. Schmidt. Ms. Schmidt was born in New Orleans, Louisiana on May 11, 1985. She earned a J.D. from Loyola University School of Law in 2010, and received a Bachelor of Arts degree from Spring Hill College in 2007. Ms. Schmidt is admitted to practice before the Louisiana Supreme Court and the several courts of the State of Louisiana. She actively participates in the firm's antitrust litigation practice.

Dan Chiorean. Mr. Chiorean was born in Oradea, Romania in April 1980, and emigrated to the United States at the age of 11. He holds a Bachelor of Science in Industrial and Operations Engineering from The University of Michigan, where he was recognized on the Dean's List and University Honors List. Mr. Chiorean earned his *Juris Doctor* in May, 2012 from Tulane Law School, where he served on Moot Court Board. He joined Odom & Des Roches as an Associate in March, 2014 and is admitted to practice before the Louisiana Supreme Court and the several courts of the State of Louisiana, the United States District Court for the Eastern District of Louisiana, and the United States District Court for the Northern District of Georgia. Mr. Chiorean is a member of the Louisiana State Bar Association, the New Orleans Bar Association, and the Federal Bar Association.

#### OF COUNSEL

Craig M. Glantz. Mr. Glantz was born in New York, New York on March 15, 1971. He was admitted to the bar of the State of California in 1999 and the States of New York and Massachusetts in 2000. He received a B.A. in History from Tufts University in 1993, where he graduated *magna cum laude* and earned membership in *Phi Beta Kappa*. He received a J.D. from Northwestern University School of Law in 1998, where he graduated *cum laude* and received the Arlyn Miner Book Award for excellence in Legal Writing. Following law school, Mr. Glantz served as a judicial law clerk to the Honorable John Minor Wisdom of the United States Court of Appeals for the Fifth Circuit and then practiced with a prominent international law firm. Mr. Glantz has a range of experience in a variety of areas, including business litigation, antitrust litigation, real estate and corporate transactions.

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