

statements or perjury, or receive a perjury enhancement at sentencing, for any false statements she makes intentionally in this plea of guilty.

4. The defendant expects the Court to rely upon her statements here and her response to any questions that he may be asked during the guilty plea hearing.
5. The defendant is not under the influence of alcohol, drugs, or narcotics. She is certain that she is in full possession of her senses and is mentally competent to understand this Plea Agreement and the guilty plea hearing which will follow.
6. The defendant has had the benefit of legal counsel in negotiating this Plea Agreement. She has discussed the facts of the case with her attorney, and her attorney has explained to the defendant the essential legal elements of the criminal charge which has been brought against her. The defendant's attorney has also explained to the defendant her understanding of the United States' evidence and the law as it relates to the facts of her offense.
7. The defendant understands that the United States has the burden of proving each of the legal elements of the criminal charge beyond a reasonable doubt. The defendant and her counsel have discussed possible defenses to the charge. The defendant believes that her attorney has represented her faithfully, skillfully, and diligently, and he is completely satisfied with the legal advice of her attorney.
8. A separate document, entitled Factual Resume, will be submitted to the Court as evidence at the guilty plea hearing. The Factual Resume is incorporated by reference into this Plea Agreement. The defendant and the United States agree that the Factual Resume is true and correct. Alterations to the Plea Agreement or

Factual Resume initialed only by the defendant and her counsel are not part of this agreement and are not agreed to by the United States.

9. This plea of guilty is freely and voluntarily made and is not the result of force, threats, promises, or representations, apart from those representations set forth in this Plea Agreement. There have been no promises from anyone as to the particular sentence that the Court will impose. The defendant is pleading guilty because she is guilty.
10. The defendant also knowingly and voluntarily waives all rights, whether asserted directly or through a representative, to receive from the United States after sentencing any further records, reports, or documents pertaining to the investigation or prosecution of this matter. This waiver includes, but is not limited to, rights under the Freedom of Information Act and the Privacy Act of 1974.

PENALTY

11. The maximum penalty the Court could impose as to Count One of the is:
 - a. Five years imprisonment;
 - b. A fine not to exceed \$250,000;
 - c. A term of supervised release of 3 years, which would follow any term of imprisonment. If the defendant violates the conditions of supervised release, she could be imprisoned for the entire term of supervised release;
 - d. A mandatory special assessment of \$100.00; and
 - e. Such restitution as may be ordered by the Court.

SENTENCING

12. The Court will impose the sentence in this case. The United States Sentencing Guidelines are advisory and do not bind the Court. The defendant has reviewed the application of the Guidelines with her attorney and understands that no one can predict with certainty what the sentencing range will be in this case until after a pre-sentence investigation has been completed and the Court has ruled on the results of that investigation. The defendant understands that at sentencing, the Court may not necessarily sentence the defendant in accordance with the Guidelines. The defendant understands that she will not be allowed to withdraw her guilty plea if the advisory guideline range is higher than expected, or if the Court departs or varies from the advisory guideline range.
13. The defendant understands that this Plea Agreement does not create any right to be sentenced in accordance with the Sentencing Guidelines, or below or within any particular guideline range, and fully understands that determination of the sentencing range or guideline level, or the actual sentence imposed, is solely the discretion of the Court.
14. The United States will provide all relevant sentencing information to the Probation Office for purposes of the pre-sentence investigation. Relevant sentencing information includes, but is not limited to, all facts and circumstances of this case and information concerning the defendant's conduct and background.
15. Both the defendant and the United States are free to allocute fully at the time of sentencing.

16. The defendant agrees to tender \$100.00 to the U.S. District Court Clerk in satisfaction of the mandatory special assessment in this case. The United States reserves the right to withdraw any favorable recommendations it may agree to within this document if the defendant fails to pay the special assessment prior to or at the time of her sentencing.

RESTITUTION

17. Pursuant to 18 U.S.C. §§ 3556 and 3663(A), restitution is mandatory. The defendant agrees to make full restitution in an amount to be determined by the Court at sentencing.

FINANCIAL OBLIGATIONS

18. The Defendant expressly authorizes the U.S. Attorney's Office to obtain a credit report in order to evaluate the Defendant's ability to satisfy any financial obligation imposed by the Court. In order to facilitate the collection of financial obligations to be imposed in connection with this prosecution, the Defendant agrees to disclose fully all assets in which the Defendant has any interest or over which the Defendant exercises control, directly or indirectly, including those held by a spouse, nominee or other third party.

UNITED STATES' OBLIGATIONS

19. The United States will not bring any additional charges against the defendant related to the facts underlying the Information. This agreement does not bind any other federal, state, or local prosecuting authorities.

20. The United States will recommend to the Court that the defendant be sentenced at the low end of the advisory sentencing guideline range as determined by the Court.

APPLICATION OF USSG § 5K1.1 AND/OR FED. R. CRIM. P. 35

21. The defendant understands and agrees that she has no right to cooperate, and that the decision whether to allow her to cooperate is reserved solely to the United States in the exercise of its discretion. If the United States agrees to allow the defendant to cooperate, and if the defendant agrees to cooperate, the following terms and conditions apply:

- a. The defendant shall fully, completely, and truthfully respond to all questions put to her by law enforcement authorities regarding the underlying facts of the offense(s) with which she is charged, as well as the underlying facts of any criminal offense(s), state or federal, of which she has information or knowledge.
- b. The defendant acknowledges that she understands that she shall provide truthful and complete information regarding any offense about which she has knowledge or information regardless of whether law enforcement authorities question her specifically about any such offense. This provision requires the defendant to divulge all information available to her even when law enforcement authorities do not know about the defendant's involvement, knowledge or information relating to any particular offense.

This requirement extends to any and all persons about whom the defendant has such knowledge or information.

- c. The defendant agrees to cooperate completely with all law enforcement authorities in any matters to which her cooperation may be deemed relevant by any law enforcement authority. The defendant agrees to fully comply with all instructions from law enforcement authorities regarding the specific assistance she shall provide. This includes, but is not limited to, consenting to monitored and/or recorded telephone conversations, participating in undercover operations, testifying completely and truthfully before any grand jury, at any pre-trial proceeding, during any trial, and any post-trial proceeding.
- d. If the United States deems it necessary, the defendant may be required to take a polygraph examination(s) which will be administered by a government polygrapher. The defendant agrees that the results of any polygraph examination may be used by the United States in its evaluation of whether there has been substantial assistance, and are admissible at sentencing to rebut an assertion by the defendant of bad faith or unconstitutional motive on the part of the United States.
- e. The defendant agrees to turn over to the United States any and all documents, tapes and other tangible objects which are in her possession or under her control and which are relevant to her participation in and knowledge of criminal activities, regardless of whether it relates to the

charged offense. This obligation is a continuing one and includes materials that the defendant may acquire, obtain or have access to after the execution of this agreement.

f. The defendant also agrees to identify the assets of any other person which were obtained through or facilitated the defendant's illegal activities or the illegal activities of another.

g. If the defendant provides full, complete, truthful and substantial cooperation to the United States, which results in substantial assistance to the United States in the investigation or prosecution of another criminal offense, a decision specifically reserved by the United States in the exercise of its sole discretion, then the United States agrees to move for a downward departure in accordance with Section 5K1.1 of the United States Sentencing Guidelines or Rule 35 of the Federal Rules of Criminal Procedure, whichever the United States deems applicable. The United States specifically reserves the right to make the decision relating to the extent of any such departure request made under this agreement based upon its evaluation of the nature and extent of the defendant's cooperation. The defendant understands that the United States will make no representation or promise with regard to the exact amount of reduction, if any, the United States might make in the event that it determines that the defendant has provided substantial assistance. The defendant understands that a mere interview with law enforcement authorities does not constitute

substantial assistance. The defendant also understands that, should he provide untruthful information to the United States at any time, or fail to disclose material facts to the United States at any time, or commits a new criminal offense, the United States will not make a motion for downward departure. If the defendant's effort to cooperate with the United States does not amount to substantial assistance as determined solely by the United States, the United States agrees to recommend that the defendant receive a sentence at the low end of the advisory guideline range.

h. The United States and the defendant agree that any breach of this agreement by the defendant, including but not limited to committing a new offense, failing to cooperate, intentionally withholding information, giving false information, committing perjury, failing to identify assets obtained by her from her illegal activities or obtained by others associated with her or of which she has knowledge, refusing to take a polygraph examination, failing a polygraph examination, or refusing to testify before the grand jury or at any judicial proceeding, would:

- (1) permit the United States to reinstate and proceed with prosecution on any other charges arising from the matters underlying the Information; and
- (2) permit the United States to initiate and proceed with the prosecution on any other charges arising from a breach of this agreement. The United States will not be limited, in

any respect, in the use it may make against the defendant of any information provided by the defendant during her breached cooperation. Such breach will constitute a waiver of any claim the defendant could make under the United States Constitution, the Federal Rules of Evidence, the Federal Rules of Criminal Procedure, or any statute or case law by which the defendant seeks to suppress the use of such information or any evidence derived from such information.

- i. Nothing in this agreement shall protect the defendant in any way from prosecution for any offense committed after the date of this agreement, including perjury, false declaration, false statement, and obstruction of justice, should the defendant commit any of these offenses during her cooperation. The defendant acknowledges and agrees that the information that she discloses to the United States pursuant to this agreement may be used against her in any such prosecution.
- j. The United States and the defendant agree that the defendant will continue her cooperation even after she is sentenced in the instant matter. Her failure to continue her cooperation will constitute a breach of this agreement, and the defendant agrees that under such conditions, the United States will be free to reinstate the charges and the prosecution of the charges in the Information, which are to be dismissed in accordance

with this agreement. Under these circumstances, the defendant expressly waives any rights she may have under the statute of limitations and the speedy trial provisions.

**LIMITED WAIVER OF RIGHT TO APPEAL AND
WAIVER OF COLLATERAL ATTACK**

22. As part of the bargained-for exchange represented in this plea agreement, and subject to the limited exceptions below, the defendant knowingly and voluntarily waives the right to file any direct appeal or any collateral attack, including a motion to vacate, set aside, or correct sentence under 28 U.S.C. § 2255. Accordingly, the defendant will not challenge her guilty plea, conviction, or sentence in any district court or appellate court proceedings.

a. **EXCEPTIONS.** The defendant reserves the right to timely file a direct appeal challenging:

- (1) any sentence imposed in excess of the statutory maximum;
- (2) any sentence which constitutes an upward departure or variance from the advisory guideline range.

The defendant also reserves the right to claim ineffective assistance of counsel in a direct appeal or § 2255 motion.

23. If the United States files a notice of appeal and such appeal is authorized by the Solicitor General, the defendant is released from the appellate waiver.

24. The defendant further reserves the right to timely move the district court for an amended sentence under 18 U.S.C. § 3582 in the event of a future retroactive amendment to the Sentencing Guidelines which would affect the sentence.
25. If the defendant receives a sentence within or below the advisory guideline range, this plea agreement shall serve as the defendant's express directive to defense counsel to timely file a "Notice of Non-Appeal" following sentencing, signed by the defendant.

VIOLATION OF AGREEMENT

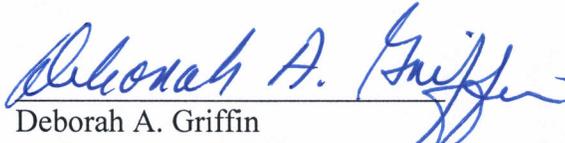
26. The defendant understands that if she breaches any provision of this Plea Agreement, the United States will be free from any obligations imposed by this agreement, but all provisions of the agreement remain enforceable against the defendant. In the exercise of its discretion, the United States will be free to prosecute the defendant on any charges of which it has knowledge. In such event, the defendant agrees not to assert any objections to prosecution that she might have under the Sixth Amendment and/or Speedy Trial Act.
27. In addition, if the defendant is released from detention prior to sentencing, she understands that the United States will no longer be bound by this agreement if she violates any condition of her release prior to sentencing or prior to serving her sentence after it is imposed.

ENTIRETY OF AGREEMENT

28. This document is the complete statement of the agreement between the defendant and the United States and may not be altered unless done so in writing and signed by all the parties.

Respectfully submitted,
KENYEN R. BROWN
UNITED STATES ATTORNEY

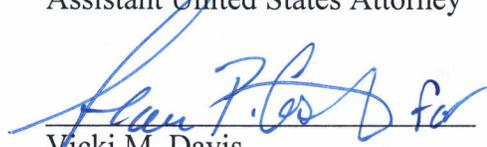
Date: February 17, 2016


Deborah A. Griffin
Assistant United States Attorney

Date: February 17, 2016

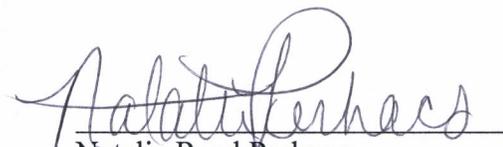

Christopher J. Bodnar
Assistant United States Attorney

Date: 2/17/2016


Vicki M. Davis
Assistant United States Attorney
Chief, Criminal Division

I have consulted with my counsel and fully understand all my rights with respect to the offense charged in the Information pending against me. I have read this Plea Agreement and carefully reviewed every part of it with my attorney. I understand this agreement, and I voluntarily agree to it. I hereby stipulate that the Factual Resume, incorporated herein, is true and accurate in every respect, and that had the matter proceeded to trial, the United States could have proved the same beyond a reasonable doubt.

Date: 2/17/16


Natalie Reed Perhacs
Defendant

I am the attorney for the defendant. I have fully explained her rights to her with respect to the offense(s) charged in the Information in this matter. I have carefully reviewed every part of this Plea Agreement with her. To my knowledge, her decision to enter into this agreement is an informed and voluntary one. I have carefully reviewed the Factual Resume, incorporated herein, with the defendant and to my knowledge, her decision to stipulate to the facts is an informed, intelligent and voluntary one.

Date: 2/17/16



T. Jefferson Deen III
Attorney for Defendant

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION

UNITED STATES OF AMERICA)
)
v.) CRIMINAL NO. 16-_____
)
NATALIE REED PERHACS)

FACTUAL RESUME

The defendant, NATALIE REED PERHACS, admits the allegations of Count One of the Information.

ELEMENTS OF THE OFFENSE

NATALIE REED PERHACS understands that in order to prove a violation of Title 18, United States Code, Section 371, as charged in Count One of the Information, the United States must prove:

First: Two or more persons in some way agreed to try to accomplish a shared and unlawful plan to violate the Anti-Kickback Statute, the elements of which are:

- (1) at least one co-conspirator knowingly and willfully offered, paid, solicited, or received any remuneration, directly or indirectly, overtly or covertly, in cash or in kind;
- (2) the remuneration was offered, paid solicited, or received, at least in part, to induce or in exchange for the purchasing, leasing, or ordering of any good, item, or service covered by a federal healthcare program; and
- (3) the good, item, or service was paid for, in whole or in part, by a federal healthcare program.

Second: The defendant knew the unlawful purpose of the plan and willfully joined in it;

Third: During the course of the conspiracy, one of the conspirators knowingly engaged in at least one overt act as described in the Information; and

Fourth: The overt act was committed at or about the time alleged and with the purpose of carrying out or accomplishing some object of the conspiracy.

OFFENSE CONDUCT

Defendant, **NATALIE REED PERHACS**, admits in open court and under oath that the following statement is true and correct and constitutes evidence in this case. This statement of facts is provided solely to assist the Court in determining whether a factual basis exists for **PERHAC**'s plea of guilty. The statement of facts does not contain each and every fact known to **PERHACS** and to the United States concerning the defendant's involvement in the charges set forth in the plea agreement.

A. Physician Pain Specialists of Alabama

Between January 2011 and the date of their arrests on May 20, 2015, Xiulu Ruan, M.D. and John Patrick Couch, M.D. jointly owned and co-directed a pain management clinic named Physician's Pain Specialists of Alabama ("PPSA"), which had two clinic locations in Mobile, Alabama. Located adjacent to one of the PPSA clinics was C&R Pharmacy, which was also jointly owned by Dr. Ruan and Dr. Couch.

At PPSA, Dr. Ruan and Dr. Couch treated several thousand patients whose services were paid for by both private and federally-funded health insurance providers. Of the thousands of patients treated at PPSA, very few had cancer.

On or about March 26, 2012, a company identified herein as "Company A" rolled out their instant release fentanyl drug Subsys, a Scheduled II Controlled Substance. On April 25, 2012, Dr. Ruan wrote his first prescription for Subsys to a patient whose federally-funded health insurance provider was billed \$1,312.29 for this prescription. Dr. Couch also wrote his first Subsys prescription on April 25, 2012 to a patient whose private health insurance provider was billed \$6,307.94 for this prescription. Once Dr. Ruan and Dr. Couch began prescribing Subsys in April 2012, they quickly became two of the top Subsys prescribers in the entire nation.

At certain points during 2012 and 2013, Dr. Ruan was the #1 prescriber of Subsys in the entire United States. Due to the enormous volume of Subsys prescriptions Dr. Ruan was writing, certain individuals within Company A referred to Dr. Ruan as one of Company A's "*three*

whales.”

Dr. Ruan and Dr. Couch broadly prescribed Subsys off-label to non-cancer patients, and to certain non-cancer patients whose health insurance providers continued paying for the drug.

For example:

Between September 11, 2012 and April 1, 2015, Dr. Ruan wrote 31 prescriptions for Subsys to a non-cancer patient in her 20s. This patient's federally-funded health insurance provider was billed \$179,286.141 for these Subsys prescriptions.

Between December 13, 2012 and May 18, 2015, Dr. Couch wrote 28 prescriptions for Subsys to a non-cancer patient in his 30s. This patient's federally-funded health insurance provider was billed \$465,062.57 for these Subsys prescriptions.

B. Conspiracy to Pay Illegal Kickbacks to Dr. Ruan and Dr. Couch

The objective of this conspiracy was for Company A to illegally pay kickbacks in the forms of speaking fees and honorariums to Xiulu Ruan, M.D. and John Patrick Couch, M.D. to induce, and in exchange for, their prescribing Subsys to PPSA patients.

On January 2, 2012, Company A received FDA approval for Subsys, a Schedule II Controlled Substance. Within the first month, Company A executives had already identified Dr. Ruan as an important prospective prescriber. By October 2012, Dr. Ruan had become the number one Subsys prescriber in the nation.

Beginning in August 2012, Dr. Ruan and Dr. Couch were both paid to conduct speakers programs on behalf of Company A. While the purported purpose of the programs was for Subsys prescribers to convince other doctors to prescribe Subsys, the speaker programs, in reality, were a façade used by Company A to funnel illegal kickback payments to high volume Subsys prescribers

In late 2012, **PERHACS**, who worked for a durable medical equipment company in the Southern District of Alabama, met Dr. Ruan and Dr. Couch. By early November 2012, Dr. Ruan

had developed a certain affection for **PERHACS**. In an e-mail sent on November 7, 2012, Dr. Ruan asked **PERHACS**, “*Well, I want to ask you a personal question and hopefully you would not be offended. Are you involved with someone now? You don’t have to answer any of these if you do not feel comfortable.*”

Thereafter, Dr. Ruan went out of his way to try to get **PERHACS** hired as a sales representative with a pharmaceutical company by reaching out to individuals he knew at three different pharmaceutical companies and explained why they should hire **PERHACS** for their sales force. In February 2013, Dr. Ruan asked **PERHACS** if he could pay her to be his personal speech coach so that he could improve his public speaking skills.

During the first quarter of 2013, a Company A sales representative continued to set up paid speakers programs for Dr. Ruan. In turn, Dr. Ruan continued to prescribe high volumes of Subsys off-label to non-cancer patients at PPSA. Due to the concern that Dr. Ruan would stop prescribing Subsys if his sales representative, who had been promoted, finding a suitable replacement for his sales representative who would please Dr. Ruan was of paramount importance.

On March 26, 2013, Dr. Ruan sent an e-mail to **PERHACS** explaining that he recommended her to Company A:

Natalie, I recommended you to the regional director of [Company A]. I talked to him today and there might be a position open for you. I highly recommended you to him. I think the chance for you to be taken is greater than 90%. They have very competitive compensation package based on sales. I think it is a job on which you can show your capability. . . . will contact you shortly. BTW, I am a national speaker as well as on the advisory board for this company. Dr. Couch is also a speaker for this company. We both know this product well. I hope you can get it this time.

Dr. Ruan sent another e-mail recommending that Company A hire **PERHACS** to be his new Subsys sales representative. On April 1, 2013, one day before **PERHACS** was supposed to meet with about the Company A sales representative position, Dr. Ruan sent **PERHACS** the an e-mail explaining very basic product information regarding Subsys.

On April 2, 2013, **PERHACS** was hired to be the personal sales representative for one of Company A's most important prescribers in the entire country at that time — Dr. Ruan. She was not hired because of her experience or her knowledge of Controlled Substances. **PERHACS** was hired to induce, and in exchange for, Dr. Ruan continuing to prescribe Subsys to PPSA patients.

PERHACS began with Company A on April 5, 2013 and received limited training in the product, sales, or compliance. On April 8, 2013, **PERHACS** was placed in charge of a sales territory which included both Dr. Ruan and Dr. Couch. **PERHACS's** primary responsibility at Company A was to increase the volume of Subsys prescribed by Dr. Ruan and Dr. Couch. She accomplished this by numerous means, including, but not limited to: (1) handling insurance prior authorizations for PPSA patients prescribed Subsys; (2) identifying patients who had been at the same strength of Subsys for several months and recommending that Dr. Ruan or Dr. Couch increase the patient's prescription strength; and (3) setting up and attending paid speaker programs.

Initially, **PERHACS** was very successful in boosting the Subsys prescription volume for both Dr. Ruan and Dr. Couch. Since she was involved in the prior authorization process, **PERHACS** was aware of the diagnoses of the PPSA patients receiving prescriptions for Subsys. **PERHACS** knew that a vast majority of the PPSA patients to whom Dr. Ruan and Dr. Couch prescribed Subsys did not have breakthrough cancer pain. This was also known to individuals within Company A, who received the information from **PERHACS** to generate the prior authorizations to send to patients' healthcare insurance providers.

October 2013 was the highest volume Subsys prescribing month at PPSA. During the 23 days PPSA was open that month, Dr. Ruan and Dr. Couch combined to write a total of 110 prescriptions for Subsys, 33 of which were written for patients who had previously never been prescribed Subsys. Nearly all of these prescriptions were written off-label to non-cancer

patients. All of these prescriptions were filled at C&R Pharmacy which then billed federally-funded and private health insurance providers a total of \$572,626.62.

PERHACS also set up and attended speaker programs for Dr. Ruan and Dr. Couch. **PERHACS** was aware that not only were meals paid for by Company A during these speaker programs, but that the doctors also received honorariums for “speaking” on behalf of Company A. **PERHACS** did not know how much Ruan and Couch were being paid or how they were paid. Throughout her time as a sales representative for Dr. Ruan and Dr. Couch, **PERHACS** scheduled approximately one speaker program per doctor per week. There were some occasions during which Dr. Ruan or Dr. Couch actually spoke to other prescribers about Subsys during these Company A-paid lunches and dinners. However, for a majority of the speaker programs, Dr. Ruan and Dr. Couch either (1) repeatedly spoke to the same prescribers about Subsys, (2) spoke to just the PPSA staff about Subsys, or (3) did not speak about Subsys at all. The purpose of the speaker program was not to promote Subsys, but rather funnel kickbacks to high-volume Subsys prescribers.

Even outside her responsibilities with Company A, **PERHACS** did anything possible to keep Dr. Ruan and Dr. Couch happy so that they would continue to prescribe Subsys. This included, but was not limited to joining Dr. Ruan’s health products pyramid scheme at his request, and writing a fraudulent online “patient review” under an alias so as to increase Dr. Ruan’s online ratings. **PERHACS** had a strong financial incentive to get Dr. Ruan and Dr. Couch to continue to prescribe Subsys and to turn a blind eye to illegal kickbacks being paid by Company A to Dr. Ruan and Dr. Couch. Despite earning a base salary of only \$40,000.00 per year, commissions from off-label prescriptions written by Dr. Ruan and Dr. Couch resulted in **PERHACS** making over \$700,000.00 between April 2013 and the doctors’ arrests on May 20, 2015.

During the time **PERHACS** worked for Company A the following overt acts were committed, among others,

1. On or about May 9, 2013, Dr. Couch received check number 11090 from Company A, payable to John Patrick Couch, in the amount of \$3,200.00.

2. On or about February 6, 2014, Dr. Couch held a speaker program at Fuego, a restaurant in Mobile, Alabama. This speaker program was hosted and attended by **PERHACS**.

3. On or about February 13, 2014, Dr. Couch received check number 1920 from Company A, payable to John Patrick Couch 1099, in the amount of \$1,600.00.

4. On or about April 25, 2014, Dr. Ruan held a speaker program at Osaka Japanese Grill in Mobile, Alabama. This speaker program was hosted and attended by **PERHACS**.

5. On or about May 1, 2014, Dr. Ruan received check number 3057 from Company A, payable to Xiulu Ruan XLR Properties, LLC in the amount of \$6,000.00.

6. On or about October 31, 2014, Dr. Couch received check number 5091 from Company A, payable to John Patrick Couch 1099, in the amount of \$3,750.00.

In total, between April 25, 2012 and the date of his arrest on May 20, 2015, Dr. Ruan wrote at least 1,812 prescriptions for Subsys to 428 different patients. During this same time period, Dr. Couch wrote at least 872 prescriptions for Subsys to 190 different patients. All of these 2,684 Subsys prescriptions were filled at C&R Pharmacy, which was owned by Dr. Couch and Dr. Ruan. To induce, and in exchange for, the 2,684 Subsys prescriptions written by Dr. Ruan and Dr. Couch, Company A hired **PERHACS** at Dr. Ruan's specific request and paid the doctors hundreds of thousands dollars in alleged speaking fees.

AGREED TO AND SIGNED.

Respectfully submitted,

KENYEN R. BROWN
UNITED STATES ATTORNEY

Date: February 17, 2016


Deborah A. Griffin
Assistant United States Attorney

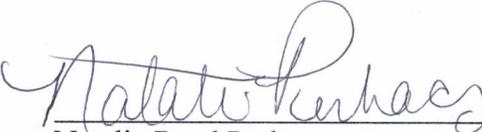
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Christopher J. Bodnar
Assistant United States Attorney

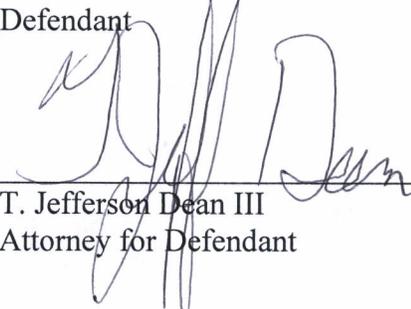
Date: 2/17/2016


Vicki M. Davis
Assistant United States Attorney
Chief, Criminal Division

Date: 2/17/16


Natalie Reed Perhacs
Defendant

Date: 2/17/16


T. Jefferson Dean III
Attorney for Defendant