

Mike Jandernoa's record of fighting competition Includes drug and entertainment businesses

FTC found Jandernoa-led Perrigo Co. signed illegal Agreement to drive up cost of children's medicine

Mike Jandernoa, Chairman of 23 is Enough, and the former Chairman of the Perrigo Company, has a track record of fighting legitimate competition. He and other Grand Rapids business owners and investors formed the 23 is Enough political action committee to lobby against the Gun Lake Tribe's proposed gaming complex to try and prevent the casino from competing with downtown Grand Rapids' entertainment businesses. Jandernoa's activity to shield Grand Rapids from competing entertainment options is not the first time he has worked to prevent competition.

Mike Jandernoa's leadership of the Perrigo Co. resulted in a \$3.75 million settlement of a Federal Trade Commission (FTC) complaint in August 2004. In June 1998 Mike Jandernoa was the Chairman and CEO of the company when, according to the FTC, they entered into an illegal agreement with Alpharma, Inc. to limit competition of generic children's liquid ibuprofen and drive up the cost of the drug for families.

In 1998 both Perrigo and Alpharma expected to receive approvals by the U.S. Food and Drug Administration (FDA) to become the only two competitors offering generic, or store brand, children's liquid ibuprofen. An April 1998 change in FDA regulations provided Alpharma 180 days of exclusivity to sell the product before Perrigo could introduce its product to the market. The Federal Trade Commission alleges that's when the Jandernoa-led Perrigo approached Alpharma to negotiate a deal that would allow them to sell during the exclusivity period. At that point, the FTC found both parties conspired to allow Perrigo to raise the prices by selling the product free of competition, and provide a cut of the profits to Alpharma.

In June 1998 both parties signed the agreement not to compete for seven years in exchange for Alpharma receiving an up-front payment and a royalty payment. The Jandernoa-led Perrigo launched the product in January 1999, and six months later raised the prices.

The FTC alleges that the agreement unlawfully drove up the price of the generic children's medicine for customers, drug chains, and mass merchandisers. The FTC conducted an investigation jointly with the States of Maryland, Florida, Colorado, and Ohio. Fifty states and territories also joined the complaint with the FTC. The settlement required Perrigo to pay the FTC \$3.75 million to compensate customers harmed by the company's conduct. In addition, both companies paid a total of \$1.5 million in lieu of civil fines or forfeitures to states and territories.

For more information see the Federal Trade Commission's settlement announcement: <http://www.ftc.gov/opa/2004/08/perrigoalpharma.htm>, and the complaint, Federal Trade Commission v. Perrigo Company and Alpharma Inc. (District of the District of Columbia) <http://www.ftc.gov/os/caselist/0210197.htm>.