

INJUNCTIVE RELIEF

5. Novartis Pharmaceuticals Corporation shall comply with the Prescribed Product Gift Ban and Disclosure Law, 18 V.S.A. §§ 4631a, 4632.

PENALTIES

6. Novartis Pharmaceuticals Corporation shall pay civil penalties of thirty-six thousand dollars (\$36,000) by July 15, 2013. Respondent shall make payment to the "State of Vermont" and send payment to: Kate Whelley McCabe, Assistant Attorney General, Office of the Attorney General, 109 State Street, Montpelier, Vermont 05609.

OTHER TERMS

7. Novartis Pharmaceuticals Corporation agrees that this Assurance of Discontinuance shall be binding on Novartis Pharmaceuticals Corporation, and its successors and assigns.

8. The Attorney General hereby releases and discharges any and all claims arising under the Prescribed Product Gift Ban, 18 V.S.A. § 4631a, that it may have against Novartis Pharmaceuticals Corporation for the conduct described in the Background from May 27, 2010 through December 31, 2011.

9. The Superior Court of the State of Vermont, Washington Unit, shall have jurisdiction over this Assurance and the parties hereto for the purpose of enabling the Attorney General to apply to this Court at any time for orders and directions as may be necessary or appropriate to enforce compliance with or to punish violations of this Assurance of Discontinuance.

STIPULATED PENALTIES

10. If the Superior Court of the State of Vermont, Washington Unit enters an order finding Respondent to be in violation of this Assurance of Discontinuance by having

violated the Prescribed Product Gift Ban, 18 V.S.A. § 4631a, then the parties agree that penalties to be assessed by the Court for each act in violation of this Assurance of Discontinuance shall be \$10,000. For purposes of this Section, the term "each act" shall mean each violation of the Prescribed Products Gift Ban and Disclosure Law, 18 V.S.A. §§ 4631a, 4632.

NOTICE

11. Respondent may be located at:

Cynthia Cetani
Vice President & Chief Compliance Officer
Novartis Pharmaceuticals Corporation
59 Route 10 East
East Hanover, NJ 07936

12. Respondent shall notify the Attorney General of any change of business name or address within 20 business days.

SIGNATURE

In lieu of instituting an action or proceeding against Novartis Pharmaceuticals Corporation, the Office of the Attorney General, pursuant to 9 V.S.A. § 2459, accepts this Assurance of Discontinuance. By signing below, Respondent voluntarily agrees with and submits to the terms of this Assurance of Discontinuance.

DATED at East Hanover, NJ, this 12th day of July, 2013.

Cynthia Cetani

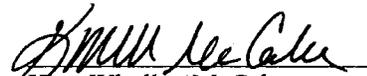
ACCEPTED on behalf of the Attorney General:

DATED at Montpelier, Vermont this th 18 day of September, 2013.

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

By:



Kate Whelley McCabe
Assistant Attorney General
Office of Attorney General
109 State Street
Montpelier, Vermont 05609
kwhelleyMcCabe@atg.state.vt.us
802.828.5621

Exhibit A

HCP NAME	Spend Type	Value	Place of Business	RESULTS
D'Agostino, Charles Ross	LUNCH & LEARN	\$13	Williamstown, MA	received reimbursement
042-0010119	LUNCH & LEARN	\$24	Williamstown, MA	
	MEAL	\$11	Williamstown, MA	
	Total	\$48		
Connors, Melinda	MEAL	\$6	Turners Falls, MA	received reimbursement
055-0030995	LUNCH & LEARN	\$13	Turners Falls, MA	
	LUNCH & LEARN	\$12	Turners Falls, MA	
	Total	\$31		
Martinez, Marcus Edward	MEAL	\$10	Hoosick Falls, NY	received reimbursement
042-0010391	MEAL	\$13	Hoosick Falls, NY	
	MEAL	\$14	Hoosick Falls, NY	
	MEAL	\$13	Hoosick Falls, NY	
	MEAL	\$24	Hoosick Falls, NY	
	MEAL	\$11	Hoosick Falls, NY	
	MEAL	\$12	Hoosick Falls, NY	
	LUNCH & LEARN	\$13	Hoosick Falls, NY	
	MEAL	\$23	Hoosick Falls, NY	
	Total	\$133		
DEWITT, TANYA SCHAEFFER	MEAL	\$11	Frederick, MD	no response
042-0008398	MEAL	\$9	Frederick, MD	
	Total	\$20		
CHERVIN, PAUL NIESEN	MEAL	\$18	Woburn, MA	no response
042-0010178				
Larson, Paul	Meal	\$50	UVM-FAHC-Burlington VT	awaiting reimbursement
101-0030149				
Michael D. Upton	Meal	\$20	Colby Center for Psychiatry, Saranac Lake , NY	awaiting reimbursement
042-0009244				
Keith Edwards	Meal	\$15	Empire Neurology, P.C.	no response
042-0005321			Riverhill Center - Suite 105, 1205 Troy-Schenectady Road, Latham, NY 12110	

Exhibit B

From: McClutchy, Pamela [mailto:pamela.mcclutchy@novartis.com]
Sent: Tuesday, October 25, 2011 10:28 AM
To: PRESCRIBED PRODUCTS
Subject: BANNED GIFTS

I am writing to report that Novartis Pharmaceuticals Corporation ("Novartis") inadvertently provided meals outside of Vermont to two Vermont health care professionals that appear to be inconsistent with the Vermont Prescribed Products Gift Ban, 18 V.S.A. § 4631a. This email describes the expenditures and the steps Novartis has taken to address these issues.

William Davidson, RN (license number 026-0028252) is a nursing home administrator at the Arbors at Shelburne in Shelburne, Vermont. Mr. Davidson was present at an informational presentation conducted by a Novartis Account Manager on-site at an assisted living facility in Wellesley, Massachusetts. The informational presentation was accompanied by a business courtesy meal. The value of the meal provided to Mr. Davidson was \$13.

Novartis' efforts to recover the cost of this meal included a letter on June 1, 2011, and a telephone call on July 6, 2011. Mr. Davidson repaid the \$13. At the time of the event, the Massachusetts-based Account Manager was unaware that Mr. Davidson was a Vermont health care professional. The employee has undergone remedial training on the Novartis policy that requires vetting for Vermont-licensure prior to providing a meal.

Keith Edwards, MD (license number 042-0005321) is a physician whose primary place of practice is Latham, New York. Dr. Edwards received two business courtesy meals from Novartis.

One business courtesy meal was provided to Dr. Edwards at an informational presentation conducted by a Novartis Account Manager on-site at his practice in Latham, New York. The value of the meal provided to Dr. Edwards at this event was \$15. Novartis' efforts to recover the cost of this meal included a letter on August 23, 2010, and a fax on September 3. Novartis has not recovered the cost of this meal. At the time of the event, the New York-based Account Manager was unaware that Dr. Edwards was a Vermont health care professional. The employee has undergone remedial training on the Novartis policy that requires vetting for Vermont-licensure prior to providing a meal.

Another business courtesy meal was provided to Dr. Edwards by an Account Manager at an informational discussion in connection with the American Academy of Neurology annual meeting in Honolulu, Hawaii. The value of the meal provided to Dr. Edwards at this event was \$123. Novartis' efforts to recover the cost of this meal included a letter on June 23, 2011, and an email on July 26, 2011. Novartis has not recovered the cost of this meal. At the time of the event, the Novartis employee who provided the meal was unaware that Dr. Edwards was a Vermont health care professional. The employee has undergone remedial training on the Novartis policy that requires vetting for Vermont-licensure prior to providing a meal.

Please contact me if you have any questions or want additional information.

Thank you.

Pamela W. McClutchy
Manager, Regulatory Compliance
Government Compliance & Reporting

Exhibit C

From: pamelamcclutchy@novartis.com [mailto:pamelamcclutchy@novartis.com]
Sent: Monday, May 09, 2011 11:44 AM
To: PRESCRIBED PRODUCTS
Subject: Banned Gift

In response to the Vermont Law 18 V.S.A. § 4631 and the FAQs dated 1-8-10, we are reporting that Novartis Pharmaceuticals Corporation has inadvertently provided a banned gift (lunch) to a Vermont health care professional, Ester Boorse (SLN 026.0017165). Novartis has made an attempt to recover the meal cost of \$18.00 by sending a certified letter to this nurse. Our sales representative was unaware that Ester Boorse also practices in Vermont when he provided the lunch in the Empire Neurology Office in Latham, New York. Please contact me if you need any further information.

Pam McClutchy
Ethics & Compliance
USEH, 701
Novartis Pharmaceuticals Corporation
One Health Plaza
East Hanover, NJ 07936-1080
USA
Phone: 862 778 6944