

# DRUGMAKERS

Rank	Company	Headquarters	OC employees	Companywide employees	Description of OC operations	Product line description	Top local official(s)
Prev. Rank	•Address	•Website •Email	•yearly % change	•yearly % change			•Title •Phone/fax
<b>1</b> (1)	<b>Allergan PLC</b> 2525 Dupont Drive Irvine 92612-1599	Ireland allergan.com	2,085 <sup>(1)</sup> NA	31,200 4%	Corporate headquarters, R&D	Eye, skin drugs, medical cosmetics	Brenton L. Saunders CEO/president (714) 246-4500/(714) 246-4971
<b>2</b> (4)	<b>Peregrine Pharmaceuticals Inc.</b> 14282 Franklin Ave. Tustin 92780-7062	Tustin peregrineinc.com info@peregrineinc.com	303 21.7%	306 21.4%	Corporate headquarters	Cancer, immunotherapy	Steven King CEO/president (714) 508-6000/(714) 838-5817
<b>3</b> (2)	<b>Teva Pharmaceutical Industries</b> 19 Hughes Irvine 92618-1902	Petach Tikva, Israel tevausa.com	275 -9.8%	42,888 -0.3%	R&D, production	Generic, neurological, cancer drugs	Brendan O'Grady chief commercial officer, global specialty medicines (949) 455-4700
<b>4</b> (5)	<b>Par Pharmaceutical, an Endo International Company<sup>(2)</sup></b> 9601 Jeronimo Road Irvine 92618-2025	Chestnut Ridge, NY parpharm.com	200 <sup>(1)</sup> NA	3,700 NA	R&D, manufacturing, administrative	Antidepressants	Paul Campanelli president, Par Pharmaceutical (949) 639-8100/(949) 837-6120
<b>5</b> (6)	<b>Avanir Pharmaceuticals Inc.</b> 30 Enterprise, Ste. 400 Aliso Viejo 92656-7114	Aliso Viejo avanir.com	138 <sup>(1)</sup> NA	495 <sup>(1)</sup> NA	Corporate headquarters, R&D, production	Central nervous system disorders	Rohan Palekar CEO/president (949) 389-6700/(949) 389-6701
<b>6</b> (7)	<b>Spectrum Pharmaceuticals Inc.</b> 157 Technology Drive Irvine 92618-2402	Henderson, Nev. sppirx.com info@sppirx.com	87 -2.2%	231 2.2%	R&D, other operations	Oncology & Hematology	Rajesh Shrotriya/Joseph Turgeon/Kurt Gustafson chairman, CEO/president, COO/executive VP, CFO, principal accounting officer (949) 788-6700/(949) 788-6706
<b>7</b> (8)	<b>Stason Pharmaceuticals Inc.</b> 11 Morgan Irvine 92618-2005	Irvine stasonpharma.com inquiry@stason.com	80 <sup>(1)</sup> NA	130 <sup>(1)</sup> NA	Corporate headquarters, R&D, production, high containment pharmaceuticals, generics	Drugs for diabetes, cancer, other chronic conditions	Harry Fan CEO (949) 380-4327/(949) 380-4345
<b>8</b> (9)	<b>Mallinckrodt PLC</b> 1300 N. Kellogg Drive, Ste. D Anaheim 92807-1965	Dublin, Ireland mallinckrodt.com	27 <sup>(1)</sup> NA	5,700 3.6%	Commercial operations	Pain drugs, generic, medical imaging	Mark Trudeau CEO/president (714) 786-4200
<b>9</b> (10)	<b>Valeant Pharmaceuticals International<sup>(3)</sup></b> 50 Technology Drive Irvine 92618-2301	Quebec, Canada valeant.com	15 <sup>(1)</sup> NA	22,000 31%	Administrative, finance, legal	Neurological, dermatological drugs, infectious disease control	Joseph C. Papa chairman/CEO (949) 461-6000



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Abbreviations: NA: not applicable  
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(1) Business Journal estimate

(2) Endo International PLC acquired Par Pharmaceuticals in Sept. 2015

(3) Valeant Pharmaceuticals International acquired Dendreon in Feb. 2015; Dendreon filed for bankruptcy in Nov. 2014

Researched by Dana Truong

# Biggest Drugmakers Hold Steady on OC Jobs

## Allergan Still No. 1 for Local Employment

By MEDIHA DIMARTINO

The largest drugmakers with headquarters or significant operations in Orange County employed 3,210 here during the 12-month period that ended Aug. 30, about the same as a year earlier.

One firm added jobs, two reported declines, and the figures for the remaining six are Business Journal estimates.

■ Perennial No. 1, **Allergan PLC**, which now has its headquarters in Ireland for tax purposes and primarily operates from Parsippany, N.J., employs an estimated 2,085 in Irvine and 31,200 company-wide. Employment is up 4% companywide from a year ago and estimated even at its Irvine operations, where some cuts have been offset by jobs arriving amid a consolidation stemming from its acquisition last year by Actavis, which took the Allergan name.

Allergan Chief Executive **Brent Saunders** published "Our Social Contract with Patients" on his blog last week, a message that pointed to the likelihood that the company will rely on a mix of in-house staff and deals with other companies to maintain what he called a "commitment to innovation, access and responsible pricing ideals."

"Our social contract begins where there is a patient with an unmet need," Saunders wrote. "As we identify needs in our areas of expertise, we are committed to risking billions of dollars to develop life-enhancing innovations. We will do so in the U.S. and around the world. And, we use our Open Science model to access promising inventions that exist outside of Allergan. That means rewarding the scientists, start-up companies, academic institutions, investors and partners for the work they have put into the original invention, which becomes part of the cost of developing life enhancing innovations" (see related story, page 1).

He also said the company is committing to making "branded therapeutic treatments accessible and affordable to patients," to "intensely monitoring the safety of our medicines," and "to appropriately educating physicians about our medicines so that they can be used in the right patients for the right conditions."

■ No. 2 **Peregrine Pharmaceuticals Inc.** employs 303 here, a 21.7% increase from a year earlier. The Tustin-based company is developing monoclonal antibodies for the treatment and diagnosis of cancer, including its lead compound, bavixumab. It also has a subsidiary known as **Avid Biosciences Inc.**, which provides development and biomanufacturing services for both Peregrine and outside customers.

"Our collaboration with NCCN provides the unique opportunity to support the group's highly regarded research institutions and advance our understanding of the potential role of bavixumab in the treatment of various cancers," said **Joseph Shan**, Peregrine vice president of clinical and regulatory affairs.

■ Israel-based **Teva Pharmaceutical Industries Ltd.**, a maker of generic drugs, dropped one spot to No. 3, with a 9.8% cut in staffing that left it with 275 workers at its Irvine facilities. It completed a \$40.5 billion acquisition of Allergan's generics business last month, including medications used to treat various bacterial infections, Parkinson's disease, abnormal

heart rhythms, and to prevent organ rejection after a transplant, among others. Teva also had to sell the rights to 79 of its pharmaceutical products to competitors, including anesthetics, antibiotics, weight-loss drugs, oral contraceptives, and medications to treat allergies, arthritis, cancers, diabetes, high blood pressure, high cholesterol, and mental illnesses, in order to "preserve competition in U.S. pharmaceutical markets," according to the Federal Trade Commission.

■ **Par Pharmaceuticals Holdings Inc.** ranks No. 4 with an estimated 200 workers in Irvine. It manufactures specialty generics and sterile injectables. Dublin-based **Endo International Plc** acquired it last September from private-equity firm **TPG Capital** in a deal valued at about \$8.05 billion.

■ No. 5, Aliso Viejo-based **Avanir Pharmaceuticals Inc.**, which was acquired by Japan-based **Otsuka Pharmaceutical Co.** for \$3.5 billion in December, employs an estimated 138 here. It makes Nuedexta, which is used to treat pseudobulbar affect, a neurological disorder characterized by uncontrollable laughing

and/or crying. It also has a deal with Whitehouse Station, N.J.-based **Merck & Co.** to co-promote a trio of Merck drugs for Type 2 diabetes in nursing homes. Avanir appointed **Rohan Palekar** as president and chief executive officer in January. The former COO replaced **Keith Katkin**, who moved to a seat on the company's board.

■ **Spectrum Pharmaceuticals Inc.** ranks No. 6 on the list. It focuses on development and commercialization of anti-cancer drugs, and the 87 workers at its research and development facility in Irvine represent a 2.2% decrease from the year-ago period. It markets six approved oncology/hematology drugs that target different types of non-Hodgkin's lymphoma, advanced metastatic colorectal cancer, acute lymphoblastic leukemia and multiple myeloma.

■ No. 7, **Stason Pharmaceuticals Inc.**, has an estimated 80 workers in Irvine. It started as a generic drug manufacturer in 1994, and since 2008 also provides product development and manufacturing support to other pharmaceutical companies. It partnered with **Amerigen Pharmaceuticals Ltd.** in Lyndhurst, N.J., in 2011 to develop a portfolio of oral oncology products. The FDA last month approved the company's application for a generic version of Merck's Temodar, used to treat certain types of brain tumors.

The list is rounded out by two drug companies whose employee numbers are Business Journal estimates:

■ **Mallinckrodt PLC**, which is based in Dublin, Ireland, and operates from suburban St. Louis, Mo., was No. 8 with an estimated 27 local employees. The company, which in 2013 spun off from **Covidien PLC**, last week agreed to sell its nuclear-imaging business to **IBA Molecular** in a \$690 million deal that will not affect its Irvine operations.

■ No. 9 **Valeant Pharmaceuticals International**, which develops and markets prescription and non-prescription drugs, employs an estimated 15 in Irvine. It was based in Aliso Viejo before it combined with Canada-based **Biovail Corp.** in 2010.

Valeant is best known for its recent failed attempt at a hostile takeover of Allergan and subsequent steep drop in market value and change in executive leadership amid questions over its sales and billing practices. ■



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## Class Action Waivers: A New Roadblock

By: Christopher M. Ahearn, Fisher Phillips

The U.S. Court of Appeals for the Ninth Circuit has put up one more roadblock to the enforcement of class action waivers in arbitration agreements, ruling last month that such waivers violate the National Labor Relations Act (NLRA).

Agreements to arbitrate employment disputes have become increasingly popular, with both employers and overburdened courts favoring arbitration as a way to efficiently and fairly resolve common workplace disputes. An added benefit for employers has been the ability ask employees to agree to waive the right to bring class actions. Courts, including the California Supreme Court, have enforced such "class action waivers," which have saved many employers from the very costly and burdensome prospect of defending against a class action claim.

Such waivers have always been controversial, however, with employees arguing that class action waivers are a windfall to employers and deprive employees of important rights to act collectively for their benefit. Recently, the U.S. Court of Appeals for the Seventh Circuit (covering Illinois, Indiana, and Wisconsin) held that class action waivers violate the NLRA's provisions barring employers from preventing employees from acting collectively for their mutual aid and protection.

In last month's decision, the Ninth Circuit (covering California and several other western states) followed suit in a case called *Morris v. Ernst & Young*, arguably invalidating class action waivers throughout the region. The employer defended its position by pointing out that the Federal Arbitration Act (FAA) requires the enforcement of arbitration agreements. The court rejected this argument, stating: "The problem with the contract at issue is not that it requires arbitration," but rather, "it is that the contract term defeats a substantive federal right to pursue concerted work-related legal claims." The court ruled that because the employees' rights under the NLRA were substantive, and not relating to court procedure, such rights could never be waived via a standard mandatory arbitration agreement or any other similar mechanism.

All hope is not lost for employers wishing to use arbitration agreements as a way to avoid costly class action litigation, however. It is not clear, for example, that California state courts would be bound to follow the *Morris* decision. In a prior decision called *Iskanian*, the California Supreme Court addressed the very same NLRA argument made by



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the employees in *Morris* and rejected it, holding that class action waiver provisions do not violate the NLRA. The only court in the nation with the constitutional authority to overturn a state supreme court is the United States Supreme Court, which has yet to weigh in on the issue. Thus, arguably a California state court would be required to follow *Iskanian* and not *Morris*.

Also, the arbitration agreement at issue in *Morris* was mandatory, meaning employees had to sign it in order to begin work. The court in *Morris* held that "an employer may not condition employment on the requirement sign such a contract." In a prior decision, the Ninth Circuit held that a non-mandatory arbitration agreement did not violate the NLRA. Thus, possibly employers could simply ask employees on a voluntary basis to sign arbitration agreements with class action waivers, or make the arbitration agreement mandatory but allow employees to "opt out" of class action waiver provisions.

The greater danger resulting from the *Morris* case is that the National Labor Relations Board (NLRB) will find more employers in the Ninth Circuit to be in violation of the NLRA for having required employees to sign class action waivers. Such a finding would not occur unless an employee or union files a charge with the NLRB and that agency finds a violation. In the event of such a finding, however, the NLRB would order the employer to stop using class action waivers and post a notice acknowledging its violation of the law.

With federal courts throughout the nation being split over the issue of class action waivers, there is the possibility that the U.S. Supreme Court will take the issue up in the near future. In the meantime, employers anywhere in California should take a close look not only at their arbitration agreements, but their procedures for presenting them to employees, to address the issues addressed by the *Morris* case. Nationwide employers will also need to take a close look at how the courts in different regions view class action waivers.

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