

I. Terms and Conditions

DEA will approve Richie's May 2, 2007 application for a DEA Certificate of Registration subject to the terms and conditions set forth below:

- A. Richie shall maintain a compliance program designed to detect and prevent diversion of controlled substances, which shall be revised as appropriate.
- B. Richie shall: (i) provide to DEA Headquarters within two business days following the date of sale a report of all controlled substance transactions through Electronic Data Interchange in a format mutually and reasonably agreed upon by the Parties. This information will be based on raw sales data and is not reconciled in the manner that ARCOS data is reconciled; and (ii) inform DEA of suspicious orders as required by 21 C.F.R. § 1301.74(b) in a format mutually and reasonably agreed upon by the Parties, except that Richie shall inform DEA Headquarters of suspicious orders, unless and until advised otherwise in writing by DEA Headquarters. The obligations contained in this paragraph shall remain in full force and effect for a period of five (5) years from the Effective Date of this Agreement, and thereafter shall remain in full force and effect unless terminated and revoked by either party upon thirty (30) days written notice.
- C. Richie shall provide written notification to the DEA Louisville Resident Office, if there is a change in the persons currently designated as compliance officers, Connie Harlow and Dale Richie. Such notification shall be supplied to DEA no later than seven business days from when the change occurs.
- D. Any material breach of subsections I(A)(B) or (C) of this Agreement by Richie may be a basis upon which DEA can issue an Order to Show Cause seeking the revocation of Richie's DEA Certificate of Registration

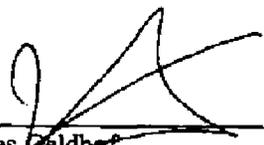
II. Miscellaneous

- A. Binding on Successors. This Agreement is binding on Richie, and its respective successors, heirs, transferees, and assigns.
- B. Effect of Agreement. This Agreement constitutes the complete agreement between the Parties. All material representations, understandings, and promises of the Parties are contained in this Agreement, and each of the parties expressly agrees and acknowledges that, other than those statements expressly set forth in this Agreement, it is not relying on any statement, whether oral or written, of any person or entity with respect to its entry into this Agreement or to the consummation of the transactions contemplated by this Agreement. Any modifications to this Agreement shall be set forth in writing and signed by all Parties. Richie represents that this Agreement is entered into with advice of counsel and knowledge of the events described herein. Richie further represents that this Agreement is voluntarily entered into without any degree of duress or compulsion.

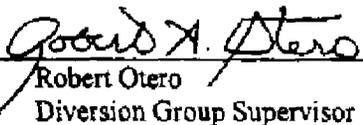
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- C. Execution of Agreement. This Agreement shall become effective (i.e., final and binding) upon the date of signing by the last signatory (the "Effective Date").
 - D. Disclosure. Richie and the DEA may each disclose the existence of this Agreement and information about this Agreement to the public without restriction.
 - E. Execution in Counterparts. This Agreement may be executed in counterparts, each of which constitutes an original, and all of which shall constitute one and the same agreement.
 - F. Authorizations. The individuals signing this Agreement on behalf of Richie represent and warrant that they are authorized by Richie to execute this Agreement. The individuals signing this Agreement on behalf of the DEA represent and warrant that they are signing this Agreement in their official capacities and that they are authorized to execute this Agreement.

[Remainder of this page left intentionally blank.]

**THE UNITED STATES DEPARTMENT OF JUSTICE
DRUG ENFORCEMENT ADMINISTRATION**

By: 
James Geldhof
Diversion Program Manager
Detroit Field Division
Drug Enforcement Administration

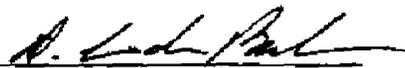
Dated: August 6, 2007

By: 
Robert Otero
Diversion Group Supervisor
Louisville Resident Office
Drug Enforcement Administration

Dated: August 7, 2007

By: 
Brian Bayly
Government Counsel
Diversion and Regulatory Litigation Section
Drug Enforcement Administration

Dated: August 3, 2007

By: 
D. Linden Barber
Associate Chief Counsel
Diversion and Regulatory Litigation Section
Drug Enforcement Administration

Dated: August 3, 2007

IN WITNESS WHEREOF, the Parties hereto have duly executed this Settlement Memorandum of Agreement as of the date written above.

RICHE PHARMACAL, INC.

By: Dawn Boyter
Dawn Boyter
Chief Executive Officer
Richie Pharmacal, Inc.

Dated: August 7, 2007

By: Dale Richie
Dale Richie
Compliance Officer
Richie Pharmacal, Inc.

Dated: August 7, 2007

By: Connie Harlow
Connie Harlow
Compliance Officer
Richie Pharmacal, Inc.

Dated: August 7, 2007

By: Bobby E. Richardson
Bobby E. Richardson, Esq.
Richardson, Gardner, Barrickman & Alexander
Counsel for Richie Pharmacal, Inc.

Dated: August 7, 2007