CLERK'S OFFICE U.S. DIST COURT
AT ABINGDON, VA
FILED
MAY 10 2007
JOHN F. CORCORAN, CLERK
BY: DEPUTY CLERK

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF VIRGINIA
ABINGDON DIVISION

UNITED STATES OF AMERICA	)	
	)	
v.	)	Case No. 1:07CR29
	)	
PAUL D. GOLDENHEIM	)	

PLEA AGREEMENT

My counsel and I have entered into a Plea Agreement with the United States of America, by counsel, pursuant to Rule 11(c)(1)(C) of the Federal Rules of Criminal Procedure ("Fed. R. Crim. P.)" The terms and conditions of this agreement are as follows:

1. CHARGE(S) TO WHICH I AM PLEADING GUILTY AND WAIVER OF RIGHTS

I will enter a plea of guilty to Count Two of the attached Information, charging me with the strict liability misdemeanor offense of misbranding a drug in violation of Title 21, United States Code, Sections 331(a) and 333(a)(1). The maximum statutory penalty for Count Two is a fine of $100,000.00, pursuant to 18 U.S.C. § 3571(b)(5), and/or imprisonment for a term of one year, plus a period of supervised release. I understand that fees may be imposed to pay for incarceration or supervised release and that there will be a $25 special assessment, pursuant to 18 U.S.C. § 3013(a)(1)(A)(iii). I further understand that any term of probation may be revoked if I violate its terms and conditions.

My attorney has informed me of the nature of the charge(s) and the elements of the charge(s) that must be proved by the United States beyond a reasonable doubt before I could be found guilty as charged.

I acknowledge that I have had all of my rights explained to me and I expressly recognize that I have the following constitutional rights and, that by voluntarily pleading guilty, I knowingly waive and give up these valuable constitutional rights:

The right to plead not guilty and persist in that plea.
The right to a speedy and public jury trial.
The right to assistance of counsel at that trial and in any subsequent appeal.
The right to remain silent at trial.
The right to testify at trial.
The right to confront and cross-examine witnesses.
The right to present evidence and witnesses in my own behalf.
The right to compulsory process of the court.
The right to compel the attendance of witnesses at trial.
The right to be presumed innocent.
The right to a unanimous guilty verdict.
The right to appeal a guilty verdict.

I am pleading guilty as described above because I am in fact guilty and because I believe it is in my best interest to do so and not because of any threats or promises, other than the terms of this Plea Agreement, described herein, in exchange for my plea of guilty. I agree that the Court can accept the Agreed Statement of Facts as the factual basis for my guilty plea.

I understand that the plea is being entered in accordance with Fed. R. Crim. P. 11(c)(1)(C).

2. SENTENCING PROVISIONS

The parties agree and stipulate that the following Guidelines' section should apply, exclusively, to my conduct:

2N2.1	6	Base Offense Level

Pursuant to Fed. R. Crim. P. 11(c)(1)(C), the parties agree to ask the Court to impose a non-incarcerative sentence. The parties agree that if the Court refuses to accept the Plea Agreement with the agreed-upon sentence I will be free to withdraw this guilty plea. In that event, this Agreement will be null and void and nothing in this Plea Agreement shall be deemed a waiver of the provisions of Federal Rule of Evidence ("Fed. R. Evid.") 410 and the United States will move to dismiss the Information without prejudice to the United States' right to indict me or any other entity or individual on any charge.

The parties agree and stipulate that restitution is not applicable to my conviction.

If the Court were to impose a sentence that includes probation, I do not believe that any non-standard conditions of probation are appropriate. The United States agrees to take no position as to any non-standard conditions of probation.

3. DISGORGEMENT

Prior to the entry of my guilty plea, I will transfer $7,500,000.00 (seven million five hundred thousand dollars) to the Virginia Medicaid Fraud Control Unit's Program Income Fund. If the Court rejects this Plea Agreement and, as a result, I withdraw my plea, the $7,500,000.00 (seven million five hundred thousand dollars) will be returned to me.

4. MANDATORY ASSESSMENT AND FINE

I understand that there is a mandatory assessment of $25.00 per misdemeanor count of conviction. The parties agree and stipulate that a fine of $5,000.00, at the upper end of the guidelines' range, is appropriate for this case. I agree that I will submit to the U.S. Clerk's Office, a certified check, money order, or attorney's trust check, made payable to the "Clerk, U.S. District Court" in the amount of $5,025.00 within seven days of entering my plea of guilty.

5. ADDITIONAL OBLIGATIONS

Unless the Court rejects this Plea Agreement and, as a result, I withdraw my plea, I agree to: (1) accept responsibility for my conduct; (2) fully comply with all terms of probation, if a term of probation is imposed; (3) not attempt to withdraw my guilty plea; (4) not deny that I committed the crime to which I have pled guilty; and (5) not make or adopt any arguments or objections to the presentence investigation report that are inconsistent with this agreement (if a presentence report is ordered by the Court).

I consent to public disclosure of all resolution documents related to this case.

I will not make any public statements, including statements or positions in litigation in which any United States department or agency is a party, contradicting any statement of fact set forth in the Agreed Statement of Facts. Should the United States Attorney's Office for the Western District of Virginia notify me of a public statement that contradicts a statement of fact contained in the Agreed Statement of Facts, I may avoid noncompliance with my obligations under this Plea Agreement by publicly repudiating such statement within two business days after such notification. Notwithstanding the above, I may avail myself of any legal or factual arguments available to me in defending litigation brought by a party other than the United States or in any investigation or proceeding brought by a state entity or by the United States Congress. This paragraph is not intended to apply to any statement made by any individual in the course of any actual or contemplated criminal, regulatory, administrative or civil case initiated by any governmental or private party against such individual.

6. ADMISSIBILITY OF STATEMENTS

I understand that any statements I make or made on my behalf (including, but not limited to, this Plea Agreement and its admission of guilt) during or in preparation for any guilty plea hearing, sentencing hearing, or other hearing and any statements made, in any setting, may be used against me in this or any other related criminal proceeding. I knowingly waive any right I may have under the Constitution, any statute, rule or other source of law to have such statements, or evidence derived from such statements, suppressed or excluded from being admitted into evidence in this or any other related criminal proceeding. With the exception of the situations set forth above, I do not waive my right to argue against admissibility under any ground permitted under federal or state rules of evidence in any other proceeding.

If the Court rejects the Plea Agreement, and, as a result, I withdraw my plea, I will not be bound by the waivers set forth in this section of the Plea Agreement.

7. WAIVER OF RIGHT TO APPEAL AND COLLATERALLY ATTACK THE JUDGMENT AND SENTENCE IMPOSED BY THE COURT

If the Court accepts this Plea Agreement, I agree that I will not appeal the conviction or sentence imposed. I am knowingly and voluntarily waiving any right to appeal and am voluntarily willing to rely on the Court in sentencing me pursuant to the terms of Fed. R. Crim. P. 11(c)(1)(C). I agree not to collaterally attack the judgment and/or sentence imposed in this case and waive my right to collaterally attack, pursuant to Title 28, United States Code, Section 2255, the judgment and

any part of the sentence imposed upon me by the Court. I agree and understand that if I file any court document (including but not limited to a notice of appeal) seeking to disturb, in any way, the judgment and/or sentence imposed in my case, the United States will be free to take whatever actions it wishes based on this failure to comply with my obligations under the Plea Agreement.

8. REMEDIES FOR FAILURE TO COMPLY WITH ANY PROVISION OF THE PLEA AGREEMENT OR OVERALL RESOLUTION

I understand that if: (1) I attempt to withdraw my plea (in the absence of the Court refusing to accept the Plea Agreement) or fail to comply with any provision of this agreement, at any time; (2) any defendant in this case does not fulfill the defendant's obligations under the defendant's Plea Agreement prior to the imposition of judgment; (3) my conviction is set aside, for any reason; and/or (4) any entity related to any defendant fails to execute all required paperwork or fails to fulfill its obligations to effectuate the resolution of this entire investigation prior to the imposition of judgment, the United States may, at its election, pursue any or all of the following remedies: (a) declare this Plea Agreement void; (b) file, by indictment or information, any charges which were filed and/or could have been filed concerning the matters involved in the instant investigation; (c) refuse to abide by any stipulations and/or recommendations contained in this Plea Agreement; (d) not be bound by any obligation of the United States set forth in this agreement, including, but not limited to, those obligations set forth in the section of this agreement entitled "COMPLETION OF PROSECUTION;" and (e) take any other action provided for under this agreement or by statute, regulation or court rule.

The remedies set forth above are cumulative and not mutually exclusive. If the United States pursues any of its permissible remedies as set forth in this agreement, I will still be bound by my obligations under this agreement. I hereby waive my right under Fed. R. Crim. P. 7 to be proceeded against by indictment and consent to the filing of an information against me concerning any charges filed pursuant to this section of the Plea Agreement. I hereby waive any statute of limitations argument as to any such charges.

9. INFORMATION ACCESS WAIVER

I knowingly and voluntarily agree to waive all rights, whether asserted directly or by a representative, to request or receive from any department or agency of the United States any records pertaining to the investigation or prosecution of this case, including without limitation any records that may be sought under the Freedom of Information Act, 5 U.S.C. §552, or the Privacy Act of 1974, 5 U.S.C. §552a.

10. DESTRUCTION OF ITEMS OBTAINED BY LAW ENFORCEMENT

The United States Attorney's Office will inform me when my personal financial records and/or other records or items obtained from my accountant or any documents otherwise relating to my personal finances are available for removal. I expressly agree that, within 30 days of being informed by the United States Attorney's Office that such records are available for removal, I will remove, at my cost, all such records from the premises designated by the United States Attorney's

Office. In addition, by signing this Plea Agreement, I hereby consent to the destruction of all items obtained by law enforcement agents during the course of the investigation (other than those described above), and will execute any documents necessary to comply with this provision.

11. COMPLETION OF PROSECUTION

I understand that except as provided for in this agreement, so long as I comply with all of my obligations under the agreement, there will be no further criminal prosecution or forfeiture action by the United States against me, for any violations of law, occurring before May 10, 2007, pertaining to OxyContin that was the subject matter of the investigation by the United States Attorney's Office for the Western District of Virginia and the United States Department of Justice Office of Consumer Litigation that led to this agreement.

Nothing in this Plea Agreement affects the administrative, civil, criminal, or other tax liability of any entity or individual and this Plea Agreement does not bind the Internal Revenue Service of the Department of Treasury, the Tax Division of the United States Department of Justice, or any other government agency with respect to the resolution of any tax issue.

I understand that nothing in this Plea Agreement precludes any private party from pursuing any civil remedy against me, and I agree that I will not raise this Plea Agreement or my guilty plea as a defense to any such civil action.

12. LIMITATION OF AGREEMENT

This Plea Agreement is limited to the United States of America and does not bind any state or local authorities.

13. EFFECTIVE REPRESENTATION

I have discussed the terms of the foregoing Plea Agreement and all matters pertaining to the charges against me with my attorney and am fully satisfied with my attorney and my attorney's advice. At this time, I have no dissatisfaction or complaint with my attorney's representation. I agree to make known to the Court no later than at the time of sentencing any dissatisfaction or complaint I may have with my attorney's representation.

14. WAIVER OF CERTAIN DEFENSES

By signing this Plea Agreement, I waive any defenses regarding pre-indictment delay, statute of limitations, or Speedy Trial Act with respect to any and all criminal charges that could have been timely brought or pursued as of March 29, 2006. This waiver is binding on me only as to charges brought by the United States. This waiver expires once judgment is entered, except as set forth in the section of the Plea Agreement entitled "REMEDIES FOR FAILURE TO COMPLY WITH ANY PROVISION OF THE PLEA AGREEMENT OR OVERALL RESOLUTION."

15. EFFECT OF MY SIGNATURE

I understand that my signature on this Plea Agreement constitutes a binding offer by me to

enter into this Plea Agreement. I understand that the United States has not accepted my offer until it signs the Plea Agreement.

16. GENERAL UNDERSTANDINGS

The parties jointly submit that this Plea Agreement and the attached Agreed Statement of Facts provide sufficient information concerning PURDUE and the crimes charged in this case to enable the meaningful exercise of sentencing authority by the Court under 18 U.S.C. § 3553. The parties agree to request that the Court impose sentence at the date of the arraignment and plea pursuant to the provisions of Fed. Rule Crim. P. 32(c)(1)(A)(ii) and U.S.S.G. § 6A1.1(a)(2), if the Court determines that a presentence report is not necessary.

If the Court accepts this Plea Agreement and sentences me to a non-incarcerative sentence, I understand that I will have no right to withdraw my guilty plea. In addition, I understand that I will not have any right to withdraw my plea if I violate my conditions of probation (if any term of probation is imposed) and, as a result, I am sentenced to incarceration.

If the Court orders a presentence report, I understand that a thorough presentence investigation will be conducted and sentencing recommendations independent of the United States Attorney's Office will be made by the presentence preparer.

I understand that the prosecution will be free to allocute or describe the nature of this offense and the evidence in this case. I understand that the United States retains the right, notwithstanding any provision in this Plea Agreement, to inform the Probation Office and the Court of all relevant facts, to address the Court with respect to the nature and seriousness of the offense(s), to respond to any questions raised by the Court, to correct any inaccuracies or inadequacies in the presentence report, if a report is prepared, and to respond to any statements made to the Court by or on behalf of the defendant.

I willingly stipulate that the Agreed Statement of Facts provides the Court with a sufficient factual basis to support my plea of guilty.

I understand that this Plea Agreement does not apply to any crimes or charges not addressed in this agreement. I understand that if I should testify falsely in this or in a related proceeding I may be prosecuted for perjury and statements I may have given authorities pursuant to this Plea Agreement may be used against me in such a proceeding.

I have not been coerced, threatened, or promised anything other than the terms of this Plea Agreement, described above, in exchange for my plea of guilty. I understand that my attorney will be free to argue any mitigating factors on my behalf; to the extent that they are not inconsistent with the terms of this Plea Agreement. I understand that I will have an opportunity to personally address the Court prior to sentence being imposed.

This writing sets forth the entire understanding between the parties and constitutes the complete Plea Agreement between the United States of America and me, and no other additional terms or agreements shall be entered except and unless those other terms or agreements are in writing and signed by the parties. This Plea Agreement supersedes all prior understandings, promises, agreements, or conditions, if any, between the United States and me.

I have consulted with my attorney and fully understand all my rights with respect to the offenses charged in the Information. I have read this Plea Agreement and carefully reviewed every part of it with my attorney. I understand this Plea Agreement and I voluntarily agree to it. Being

aware of all of the possible consequences of my plea, I have independently decided to enter this plea of my own free will, and am affirming that agreement on this date and by my signature below.

Date: May 8, 2007

Paul D. Goldenheim, Defendant

I have fully explained to my client all rights available to my client with respect to the offenses charged in the Information. I have carefully reviewed every part of this Plea Agreement and attached Agreed Statement of Facts with my client. To my knowledge, my client's decision to enter into this Plea Agreement is an informed and voluntary one.

Date: May 8, 2007

Andrew Good
Counsel for Defendant

Date: May 10, 2007

John L. Brownlee
United States Attorney
Western District of Virginia

Rick A. Mountcastle, Assistant United States Attorney
Randy Ramseyer, Assistant United States Attorney
Sharon Burnham, Assistant United States Attorney
Barbara T. Wells, Trial Attorney, U.S. Dept. Of Justice
Elizabeth Stein, Trial Attorney, U.S. Dept. Of Justice

RELEASE BY THE COMMONWEALTH OF VIRGINIA

For purposes of this release, PURDUE shall be defined in the same manner as in the Non-Prosecution Agreement between the United States and PURDUE entered in 2007 and filed as an attachment to the Plea Agreement of The Purdue Frederick Company, Inc.

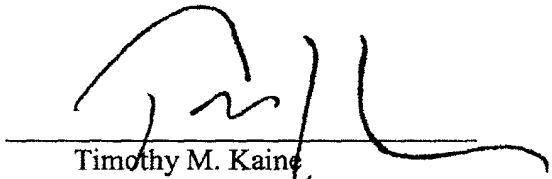
The Virginia Medicaid Fraud Control Unit with the Virginia Attorney General's Office actively participated in a prolonged investigation of PURDUE by the United States Attorney's Office for the Western District of Virginia and the United States Department of Justice Office of Consumer Litigation. The investigation has resulted in a negotiated resolution that includes plea agreements between the United States and the Purdue Frederick Company, Inc., and certain individuals. By the terms of those plea agreements, the Program Income Fund of the Virginia Medicaid Fraud Control Unit will receive $39,800,000.00 and a $20,000,000.00 trust will be established to fund the Virginia Prescription Monitoring Program.

In accordance with the Constitution of Virginia and pursuant to the authority conferred upon the Governor of Virginia and the Attorney General of Virginia by the Code of Virginia, the Governor of Virginia and the Attorney General of Virginia hereby agree that so long as (1) PURDUE complies with all of its obligations as set forth in the Non-Prosecution Agreement and the documents referenced therein and (2) Michael Friedman, Howard R. Udell, and Paul D. Goldenheim comply with all of their obligations in their plea agreements prior to the imposition of judgment, there will be no further civil or criminal action by the Governor or by the Attorney General's Office, including the Virginia Medicaid Fraud Control Unit, on behalf of the Commonwealth of Virginia against PURDUE, its current and former directors, officers, employees, co-promoters, owners (including trustees and trust beneficiaries of such owners), successors and assigns; any of PURDUE'S related and associated entities (as listed on Attachment A to the Plea Agreement of The Purdue Frederick Company, Inc.), and such related and associated entities' current and former directors, officers, employees, owners (including trustees and trust beneficiaries of such owners), successors and assigns, and trusts for the benefit of the families of the current and former directors of PURDUE, including the trustees and trust beneficiaries of such trusts, for any violations of law, occurring on or before the date the guilty pleas are entered, pertaining to OxyContin that was the subject matter of the investigation by the United States Attorney's Office for the Western District of Virginia and the United States Department of Justice Office of Consumer Litigation that led to this agreement.

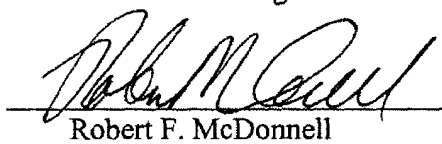
This release shall not limit the Commonwealth's ability to settle pending matters related to Virginia's consumer protection laws or to otherwise participate in the multi-state portion of any amounts obtained as a result of these Plea Agreements. The Commonwealth agrees and understands that any of the money paid pursuant to these Plea Agreements will be returned if, and only if, the Court refuses to accept the Plea Agreements with the agreed-upon sentences and, as a result, the defendants withdraw their guilty pleas. If this occurs, the Commonwealth understands that it is free to assert any and all claims against the defendants.

This Release shall be made an attachment to the plea agreements referenced herein.

Executed this 7th of May, 2007.



Timothy M. Kaine
Governor of Virginia



Robert F. McDonnell
Attorney General of Virginia