

**UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF FLORIDA
TAMPA DIVISION**

ALFASIGMA USA, INC.

Plaintiff,

Case No.

v.

WESTMINSTER
PHARMACEUTICALS, LLC

**COMPLAINT AND DEMAND FOR
JURY TRIAL**

INJUNCTIVE RELIEF SOUGHT

Defendant.

COMPLAINT

Plaintiff Alfasigma USA, Inc. (“Alfasigma”) (formerly known as Nestlé Health Science-Pamlab Inc.) brings this Complaint against Defendant Westminster Pharmaceuticals, LLC (“Defendant”) and in support thereof, alleges as follows:

I. INTRODUCTION

1. This is an action against Defendant for tortious interference with a settlement contract. In the August 26, 2014 Master Settlement Agreement and Mutual Release (“the Agreement”), Plaintiff settled a false advertising and unfair competition case it had filed against Virtus Pharmaceuticals, Inc. (“Virtus”), captioned *Nestlé Health Science-Pamlab, et al. v. Virtus Pharmaceuticals, LLC*,

Docket No. 9:12-cv-81202 (S.D. Fla.) (the “*Virtus* Litigation”). Mr. Louis Sanchez, the then-chief executive officer of Virtus, and Mr. Ryan Menendez, at that time Virtus’s Vice President, received significant benefits under the Agreement, and were bound by it. Messrs. Sanchez and Menendez subsequently joined Defendant Westminster. As he did with Virtus, Mr. Sanchez currently serves as Defendant’s Chief Executive Officer, while Mr. Menendez served as Defendant’s Senior Vice President of Business Development.

2. Under the Agreement, Messrs. Sanchez and Menendez were released of all claims against them personally and, in exchange, agreed to refrain, until the end of 2024, from assisting *any* third parties from manufacturing, marketing, or offering for sale certain medical food products. Defendant, however, with knowledge of the Agreement and Messrs. Sanchez’s and Menendez’s duty to not provide assistance in launching the covered medical food products, induced them to breach the Agreement. With Messrs. Sanchez’s and Menendez’s assistance, Defendant launched competing medical food products, to Plaintiff’s ongoing injury.

3. By inducing Messrs. Sanchez and Menendez to breach the Agreement, Defendant has intentionally and willfully interfered with Plaintiff’s contractual rights, and in so doing caused significant, ongoing, and irreparable injury to Plaintiff. Alfasigma brings this suit to stop Defendant’s ongoing interference with its

contractual rights, and to obtain compensatory and punitive damages for Defendant's willful and intentional misconduct.

II. PARTIES

4. Plaintiff Alfasigma USA, Inc., formerly known as Nestlé Health Science Pamlab, Inc., is a Delaware corporation with its principal place of business at 4099 Highway 190 East Service Road, Covington, Louisiana 70433. A fully integrated pharmaceutical company founded over fifty years ago, Alfasigma specializes in the development, manufacture, sale, and distribution of medical foods throughout the United States.

5. Defendant Westminster Pharmaceuticals, LLC is a pharmaceutical company which claims to distribute "generic drugs to pharmacies, hospitals, and trusted wholesalers and distributors across the country." A limited liability company, Defendant is organized under Delaware law, and has offices in Tennessee and Tampa, Florida. Based on Defendant's public filings, it has three members: Gajan Mahendiran, Amuda Mahendiran, and Vijay Patel.

6. Defendant may be served with process through its Florida Registered Agent, Corporation Service Company, 1201 Hays St., Tallahassee, Florida 32301.

III. JURISDICTION AND VENUE

7. This Court has diversity jurisdiction over this action pursuant to 28 U.S.C. § 1332(a), as there is complete diversity of citizenship among the parties, and the amount in controversy exceeds \$75,000, exclusive of interests and costs.

8. For purposes of diversity jurisdiction, Alfasigma is a citizen of Delaware and Louisiana.

9. As a limited liability corporation, Defendant shares the citizenship of its members. On April 6, 2021, Defendant filed its 2021 Foreign Limited Liability Company Annual Report with the Florida Secretary of State, representing that the address of all three of its members is 1321 Murfreesboro Pike, Suite 607, Nashville, Tennessee 37217. In addition, in a document filed on September 24, 2020, in the case captioned *Jain et al. v. Nexgen Memantine, Inc. et al.*, Case No.: 8:20-cv-02263-VMC-JSS, (M.D. Fla. Sept. 24, 2020), Dkt. 34, Mr. Gahan Mahendiran represented that he is a resident of Virginia. Accordingly, and based on this publicly-filed information, Defendant is a citizen of Tennessee and Virginia. Accordingly, there is complete diversity between the parties.

10. The exercise of personal jurisdiction over Defendant in Florida is proper as acts giving rise to Plaintiff's cause of action have occurred in the state of Florida. In addition, Defendant is registered as a Foreign Limited Liability Company

in Florida, and maintains corporate headquarters in Florida at 3450 Buschwood Park Drive, Suite 110, Tampa, Florida 33618.

11. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(b)(2) because a substantial part of the events giving rise to Plaintiff's claim of tortious interference alleged herein occurred in this District.

IV. FACTUAL BACKGROUND

A. Plaintiff's Medical Foods

12. Alfasigma specializes in the development of high quality medical foods—defined by federal law as foods that are “formulated to be consumed or administered enterally under the supervision of a physician and which [are] intended for the specific dietary management of a disease or condition for which distinctive nutritional requirements, based on recognized scientific principles, are established by medical evaluation.” 21 U.S.C. § 360ee(b)(3).

13. Alfasigma markets and sells its medical foods throughout the United States. Alfasigma's products include Deplin®, formulated to address the distinctive nutritional requirements of patients with depression or schizophrenia, and Metanx®, formulated to address the distinctive nutritional requirements of patients with diabetic peripheral neuropathy. Both Deplin® and Metanx® are formulated with a stable, pure, and crystalline form of L-methylfolate Calcium—the biologically active form of folate, which is critical for human health. Deplin® is formulated in

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