

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Chapter 11
)	
INSYS THERAPEUTICS, INC. <i>et al.</i> , ¹)	Case No. 19-11292 (KG)
)	
Debtors.)	(Jointly Administered)
)	
)	DE: 5, 49, 231, 475, 482

**JOINDER BY DEFENDANT STATE OF ARIZONA AND ITS ATTORNEY GENERAL,
MARK BRNOVICH, TO STATEMENT AND LIMITED OBJECTION OF THE
OFFICIAL COMMITTEE OF UNSECURED CREDITORS TO MOTION OF DEBTORS
PURSUANT TO 11 U.S.C. §§ 105(A), 363 AND 507(a) FOR (I) AUTHORITY TO (A) PAY
CERTAIN PREPETITION WAGES AND REIMBURSABLE EMPLOYEE EXPENSES,
(B) PAY AND HONOR EMPLOYEE MEDICAL AND OTHER BENEFITS, AND (C)
CONTINUE EMPLOYEE BENEFITS PROGRAMS, AND (II) RELATED RELIEF**

The State of Arizona, through Attorney General Mark Brnovich, respectfully joins the *Statement and Limited Objection of the Official Committee of Unsecured Creditors to Motion of Debtors Pursuant to 11 U.S.C. §§ 105(A), 363 and 507(A) for (I) Authority to (A) Pay Certain Prepetition Wages and Reimbursable Employee Expenses, (B) Pay and Honor Employee Medical and Other Benefits, and (C) Continue Employee Benefits Programs, and (II) Related Relief* (the “Limited Objection”) (ECF No. 482), filed by the Official Committee of Unsecured Creditors (the “Committee”) on August 20, 2019, stating as follows:

Arizona is uniquely situated in this action because the hub of the Debtors’ fraudulent nationwide conduct was its headquarters in Chandler, Arizona, a suburb of Phoenix. In addition

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, as applicable, are: Insys Therapeutics, Inc. (7886); IC Operations, LLC (9659); Insys Development Company, Inc. (3020); Insys Manufacturing, LLC (0789); Insys Pharma, Inc. (9410); IPSC, LLC (6577); and IPT 355, LLC (0155). The Debtors’ mailing address is 1333 South Spectrum Blvd #100, Chandler, Arizona 85286.

to many key executives living in the Phoenix metro area, the Debtors recruited employees to Arizona and encouraged them to participate in this enormous racketeering and fraud scheme that has impacted countless patients, families of patients, physicians, and others. Insys employees made thousands of fraudulent phone calls to insurance companies while seated at a call center—the Insys Reimbursement Center—located across the street from the company’s Chandler headquarters. The employees potentially receiving severance payments as proposed in the Debtors’ motion may include residents of Arizona. Yet the State of Arizona remains in the dark as to whether the very conduct of fraud and deception that generated the Debtors’ profits will now be used to reward persons who engaged in that fraud and deception. As the Limited Objection articulates, the Debtors decline to so much as undertake a *reasonable* inquiry into a departing employee’s history with the company prior to releasing a severance award to that employee. The existence of any current employees of the Debtors who were complicit in the Debtors’ criminal conduct is of particular interest to the State of Arizona, which does not want any proceeds from that conduct to benefit such employees.

Arizona therefore joins the Limited Objection filed by the Committee, and urges the Court to deny the Debtors’ Motion unless modifications are incorporated consistent with the Limited Objection.

RESPECTFULLY SUBMITTED,

MARK BRNOVICH
Attorney General

/s/ CJD AZ No. 027114
Christopher J. Dylla
Assistant Attorney General
Attorney for the State of Arizona

CERTIFICATE OF SERVICE

The undersigned certifies that on August 21, 2019, a true and correct copy of this document was served by electronic mail through the Court's CM/ECF system to all parties who are deemed to have consented to electronic service and that copies were mailed or emailed* to the counsel and parties listed below via first class U.S. Mail, postage prepaid, on August 21, 2019.

Gary T. Holtzer, Esq.*
Ronit J. Berkovich, Esq.*
Candace M. Arthur, Esq.*
Carolyn R. Davis, Esq.*
Brenda L. Funk, Esq.*
Peter D. Isakoff, Esq.*
Olga F. Peshko, Esq.*
Ramsey W. Scofield, Esq.*
Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153
Email: gary.holtzer@weil.com
ronit.berkovich@weil.com
candace.arthur@weil.com
carolyn.davis@weil.com
brenda.funk@weil.com
peter.isakoff@weil.com
olga.peshko@weil.com
ramsey.scofield@weil.com

Counsel for Debtors

Justin R. Alberto, Esq.*
Daniel N. Brogan, Esq.*
Erin R. Fay, Esq.*
Bayard, P.A.
600 North King Street
Suite 400
Wilmington, DE 19801
Email: jalberto@bayardlaw.com
dbrogan@bayardlaw.com
efay@bayardlaw.com

Counsel for the Official Committee of Unsecured Creditors

/s/ R. Scott Graves
Paralegal to Christopher J. Dylla
#8138900/BCE19-01766

Jane M. Leamy, Esq.*
Office of the United States Trustee
J. Caleb Boggs Federal Building
844 King Street, Suite 2207
Wilmington, DE 19801
Email: jane.m.leafy@usdoj.gov
Counsel for the U.S. Trustee

Mark D. Collins, Esq.*
Christopher Michael De Lillo, Esq.*
Paul Noble Heath, Esq.*
John Henry Knight, Esq.*
Amanda R. Steele, Esq.*
Zachary I. Shapiro, Esq.*
Megan, Kenney, Esq.*
Richards, Layton & Finger, P.A.
One Rodney Square
920 North King Street
Wilmington, DE 19801
Email: collins@rlf.com
delillo@rlf.com
heath@rlf.com
knight@rlf.com
steele@rlf.com
shapiro@rlf.com
kenney@rlf.com

Counsel for Debtors

Daniel H. Golden, Esq.*
Mitchell P. Hurley, Esq.*
Arik Preis, Esq.*
Akin Gump Straus Hauer & Feld LLP
One Bryant Park
New York, NY 10036
Email: dgolden@akingump.com
mhurley@akingump.com
apreis@akingump.com

Counsel for the Official Committee of Unsecured Creditors