

READ BHG'S PREVIOUS MAY 13, 2022, OPEN LETTER TO  
ENDO'S SHAREHOLDERS AND CREDITORS

READ PRIVATE LETTERS BETWEEN ENDO AND BHG  
LEADING UP TO BHG'S PUBLIC CORRESPONDENCE

# BUXTON HELMSLEY

**New York Headquarters**  
1185 Avenue of the Americas, Floor 3  
New York, N.Y. 10036

**Mr. Alexander E. Parker**  
*Senior Managing Director*  
E. alexander.parker@buxtonhelmsley.com  
T. +1 (212) 951-1530  
F. +1 (212) 641-4349

**ENDO INTERNATIONAL PLC. (NASDAQ: ENDP)**  
July 26, 2022, Letter to Board of Directors

**VIA U.S. REGISTERED POSTAL MAIL & ELECTRONIC MAIL**  
relations.investor@endo.com;

July 26, 2022

Board of Directors - All Members  
Endo International Plc.  
First Floor, Minerva House, Simmonscourt Road  
Ballsbridge, Dublin 4, Ireland

*Mr. Mark G. Barberio, Chairman*  
*Ms. Jennifer M. Chao, Director*  
*Mr. Blaise Coleman, Director*  
*Mr. Shane M. Cooke, Director*  
*Ms. Nancy J. Hutson, Ph.D., Director*  
*Mr. Michael Hyatt, Director*  
*Mr. William P. Montague, Director*  
*Ms. M. Christine Smith, Ph.D., Director*

Ms. Laure Park  
Senior Vice President, Investor Relations & Corporate  
Affairs  
Endo International Plc.  
1400 Atwater Drive  
Malvern, PA 19355

Re: Compliance with FASB ASC topic 852-10-45-5, FASB ASC topic 350, and Persisted Breach of the Companies Act of 2014 (the “**Companies Act**”), § 1111 - Endo International Plc. (the “**Company**”)

Ladies and Gentlemen of the Board of Directors (collectively, the “**Board**”):

The Buxton Helmsley Group, Inc. (together with their affiliates, “**BHG**” or “**we**”), addresses this Company's Board, in follow-up on certain of the matters discussed within our open letter dated May 13, 2022, and also to address certain other matters related to the financial condition of the Company. Please take notice that this letter is being copied to Ireland's Office of the Director of Corporate Enforcement (the “**O.D.C.E.**”), the United States Securities and Exchange Commission (the “**Commission**”), the Commission's Office of the Whistleblower, and the Company's financial auditors, PricewaterhouseCoopers LLP (“**PWC**”). Given these matters relate to (continued) disturbing discrepancies related to the financial statements being issued by this Company, we expect the audit committee of the Board to take this letter utmost seriously and guide itself accordingly.

We will first address that it is now public knowledge that you are speaking with your bondholders, and very apparently telling an entire group of junior bondholders that you do not believe you remain capitalized enough to tender those bonds but for pennies on the dollar, and (from what has been publicly leaked of those discussions) doubt that you would be able to make any such tender offers whilst upholding your fiduciary duties that are equally owed to every creditor possessing a valid claim against this Company. While BHG would agree that your fiduciary duties would certainly not allow for such a tender offer at the preference of one creditor over another (you certainly may not preference a bondholder over contingent claimant interests that you believe to be valid), we find it pathetic that you are able to (apparently) identify your fiduciary duties to creditors, but are persisting on your violation of the Companies Act, § 1111, in violation of your fiduciary duty to shareholders. You have an equal duty to uphold your legal obligations, under the laws of Ireland, to every stakeholder in the capital structure. You are now telling your bondholders that you believe you possess insufficient capital to fully honor their indisputable claims against this Company's capital structure, yet you wish to maintain your defrauding of shareholders by expressly insisting that you possess positive net assets that would trickle down to those most junior (shareholder) interests in the capital structure waterfall? This is not a joke; this is outright fraud. Perhaps, those bondholders you are now claiming insufficient assets to fulfill the claims of would appreciate the money returned that you lined the Company's insiders' pockets with in the form of all-cash “bonuses”, with knowledge that this Company is financially crippled enough to link those bonuses to then-undisclosed terms of “reorganization” and “change in control”. Just because Wall Street's passive institutions clearly were asleep at the wheel when it came to their obvious failure to oust this Board at your June 9, 2022, annual general meeting, that is not a cue, nor an allowance, to continue defrauding those shareholders and violating your duties to them. BHG, once again, demands your compliance with the Companies Act, § 1111; you are firmly aware that, on an investigation by the O.D.C.E. and discovery of your very impeaching obvious communications with bondholders (insisting that you possess insufficient capitalization to fully honor even bondholder interests, let alone shareholders), that you would be facing up to six (6) months of imprisonment and fines as part of such a category 3 offense under Irish law. If you wish to maintain that you possess net assets, BHG demands that this Board put their money where their mouth is and make a dividend payment to shareholders, and immediately. You continue acting as though you are Schrödinger's Cat with regard to conflicting statements of capitalization/undercapitalization, which is an impossibility; you cannot tell bondholders you possess insufficient capital, then shareholders that you do possess sufficient capital. Again, this is not a joke; this is fraud.

BHG further addresses those previously referenced communications with bondholders, where it has been leaked that you are leaning to bankruptcy, in a different light. We notice the Company, in particular, with relation to its obligations

under the Generally Accepted Accounting Principles (“GAAP”) by which you are bound; in relevant part, its requirements codified at ASC topic 852-10-45-5. Though this rule is triggered to be in force upon entry into reorganization proceedings, it directly correlates with your current/active GAAP financial reporting requirement with relation to contingent liabilities under ASC topic 450-20, as will imminently be covered. The Company's very own financial auditors, PWC, clearly address the reporting requirement of ASC topic 852-10-45-5:<sup>1</sup>

"As stated in ASC 852-10-45-5, **liabilities subject to compromise**, including claims that become known after the bankruptcy petition is filed, **should be reported on the basis of the expected amount of the total allowed claims, even if the claims will be settled at lesser amounts (in other words, the allowed claims balance should not be reported at ‘cents on the dollar’ amounts).**"

PWC also addresses the financial reporting requirement of ASC topic 852-10-45-5, in relation to your current financial reporting requirement under ASC topic 450-20:<sup>2</sup>

"The recognition and measurement of allowed claims should follow the model described in ASC 450-20, Loss Contingencies, and thus **should reflect the reporting entity's best estimate of its total allowed claims**."

It is, again, now public knowledge that the Company is going down the route of a reorganization under title 11 of the U.S. Code. The Company has accrued ~\$533.5 million in legal-related loss contingency risk within its latest quarterly filing with the Commission. BHG does not buy, for even two seconds, that your allowed claims would amount to a mere total of ~\$533.5 million. BHG expects that, within the Company's 10-Q filing to be made within days from now, that you will comply with your requirement of estimating the face value of valid claims against this Company (which would certainly meet the standard of being a "probable" liability, in the context of FASB ASC topic 450-20). That dose of reality will certainly shock investors, BHG is sure, and will also further incriminate all of you on your continued violation of the Companies Act, § 1111, but that is your reporting obligation, even according to your very own auditors.

BHG, further, will address the Company's financial reporting obligation codified at FASB ASC topic 350, covering indefinite-lived intangible assets, including goodwill. We firmly believe you are aware that your decision to skip your interest on your bonds firmly illustrates that this Company is – once again – financially crippled. Therefore, on a "going concern" basis, any prospective buyer of this Company's assets would certainly offer incrementally less to purchase one or more of this Company's assets, with knowledge of how desperate this Company is for cash, and therefore this Company's goodwill inevitably would have a fair value less now than the Company's most recent quarterly filing with the Commission. That decision to skip your bond interest payments is most certainly a "triggering event" under ASC topic 350, and therefore BHG expects that this Board's audit committee will ensure that the Company's financials are reported to reflect this inevitable impairment of goodwill value. Once again, this will not look pretty to investors, but it's about time that you start reporting the truth (not all of these financial statements can be true), and unfortunately BHG is the only party at the table demanding it.

BHG, further, addresses this Company's reporting requirement under the Companies Act, § 291(4), for which rids this Board (and their appointed executives of the Company) of any shred of an excuse that GAAP has impeded on your ability to provide a "true and fair view of assets, liabilities, and financial position":<sup>3</sup>

"Where compliance with [] applicable accounting standards and the other provisions of this Act as to the matters to be included in entity financial statements (or in notes to those financial statements) **would not be sufficient to give a true and fair view** of the matters referred to in subsection (2), the **necessary additional information shall be given in the entity financial statements or a note to them.**"

Pursuant to that legal obligation under the Companies Act, § 291(4), BHG demands that the Company make all necessary "notes" in its upcoming 10-Q filing, with relation to the "true and fair" value of all definite-lived assets. Investors require (and deserve) transparency as to any value that does not exist in reality, and will/would turn to utter mist if "reached for" by stakeholders in a reorganization valuation. A blanket "note" that the balance sheet may materially differ from reality does not provide a "true and fair view of assets". You need to come up with what the "true and fair" value of asset value if your balance sheet does not provide that "true and fair view," and disclose it to investors. We can all see how this is going to go if you cannot keep a story straight on "shareholder's equity", especially when your stated value of assets directly derives that number (net assets); pick a number and stick to it, for once. If you are prepared to use the so very typical claim in the bankruptcy court that the open market values of your debt are an accurate picture of the value of your assets (which BHG does not buy such an 'efficient market theory' for one moment, as it has been debunked in numerous cases, including Enron), then that is the "true and fair view" of assets that you need to be disclosing within Commission filings; this is not rocket science, but simply transparent and ethical financial reporting. When one poses the excuse of "I was not required to disclose that", that is entirely telling of their ethics; you all are far intelligent enough to realize what your investors need to see in your quarterly filings to have a "true and fair view" of this Company so that they can make educated investment decisions. BHG also points out that the Companies Act, § 291(4), dually reinforces your requirement (under ASC topic 450-20, in conjunction with ASC topic 852-10-45-5) to accrue contingent liabilities based on your estimate of the face value of the claims (those "liabilities subject to compromise") that would be allowed during reorganization proceedings. You are not going to claim ~\$533.5 million in contingent liability risk now, then walk into the bankruptcy court and start pronouncing that you have trillions in liabilities leaving you "hopelessly insolvent".

By the way, your thirty-day grace period on your skipped bond payment lapses in a few days, it would appear. We will await that demanded dividend payment to shareholders, as well, if you want to prove you "know[]" net assets exist for the benefit of shareholders (and not defrauding them, over your bondholders – one of those parties is certainly being fed a lie), as required by the Companies Act, § 1111. Otherwise, you are fully aware of your legal obligation under that statute; it is about time you honor it. You continue giving a public 'song and dance' to your shareholders that you skipped your interest payments to force an opioid settlement; you and I both know that AG's will never agree to a settlement that you clearly cannot service (far overleveraged, even before you lost your Vasostriect® exclusivity), and can discharge such a settlement in a reorganization shortly after signing onto it. Government counsel is far wiser than to allow for that to happen.

Very truly yours,

**/s/ Alexander E. Parker**

Alexander E. Parker  
Senior Managing Director  
The Buxton Helmsley Group, Inc.

CC (by e-mail and post):

Office of the Director of Corporate  
Enforcement  
16 Parnell Square  
Dublin 1  
D01 W5C2  
Ireland

*Mr. Ian Drennan, Director*  
*Ms. Suzanne Gunne, Enforcement Lawyer*  
*Ms. Xana McCarthy, Investigator*  
*Ms. Marian Lynch*

Attn: Office of the Whistleblower  
ENF-CPU (U.S. Securities & Exchange  
Commission)  
14420 Albermarle Point Place, Suite 102  
Chantilly, VA 20151-1750

Attn: Deanna Byrne, Managing Partner  
PricewaterhouseCoopers, LLP  
2001 Market St. #1800  
Philadelphia, PA 19103

<sup>1</sup> [https://viewpoint.pwc.com/dt/us/en/pwc/accounting\\_guides/bankruptcies\\_and\\_liq/bankruptcies\\_and\\_liq\\_US/chapter\\_3\\_accounting\\_US/33\\_presentation\\_of\\_1\\_US.html](https://viewpoint.pwc.com/dt/us/en/pwc/accounting_guides/bankruptcies_and_liq/bankruptcies_and_liq_US/chapter_3_accounting_US/33_presentation_of_1_US.html)

<sup>2</sup> [https://viewpoint.pwc.com/dt/us/en/pwc/accounting\\_guides/bankruptcies\\_and\\_liq/bankruptcies\\_and\\_liq\\_US/chapter\\_3\\_accounting\\_US/33\\_presentation\\_of\\_1\\_US.html](https://viewpoint.pwc.com/dt/us/en/pwc/accounting_guides/bankruptcies_and_liq/bankruptcies_and_liq_US/chapter_3_accounting_US/33_presentation_of_1_US.html)

<sup>3</sup> Companies Act of 2014, § 291: <https://www.irishstatutebook.ie/eli/2014/act/38/section/291/enacted/en/html>

---

**Relevant Disclosures:** This message is not intended to constitute, and should not be construed as, a solicitation to obtain proxy authority under U.S. federal securities laws; BHG is not willing to act as a proxy to any Endo International Plc. shareholders, at this time. BHG retains a net short financial interest in the capital structure of Endo, due to its belief that certain securities in the capital structure are overvalued, including the common stock of Endo International Plc. Information contained within this message is the opinion of the publisher, does not constitute, and should not be mistaken as, investment advice or an offer to invest or to provide management services, and is subject to correction, completion and amendment without any prior notice. Any such offer to provide investment advice, if made at all, will only be made by means of a confidential prospectus, offering memorandum, or management agreement. It is not the publisher's intention to state, indicate or imply in any manner that current or past results, when stated, are indicative of future results or expectations. A prospective investor should consult with its own investment, accounting, legal and tax advisers to evaluate independently the risks, consequences and suitability of all investments and investment-related decisions that they should consider. This message may contain statements, estimates or projections that constitute "forward-looking statements" as defined under U.S. federal, and other jurisdictions', securities laws. Any such forward-looking statements are inherently speculative and are based on currently available information, operating plans and projections about future events and trends. As such, they are subject to numerous risks and uncertainties. Actual results and performance may be significantly different from historical experience and our present expectations or projections. The publisher undertakes no obligation to update or revise any forward-looking statements publicly or privately.