

**Consent Judgment and Stipulation of Dismissal with Prejudice**

STATE OF RHODE ISLAND

PROVIDENCE, SC

STATE OF RHODE ISLAND, by and through,  
PETER F. NERONHA, ATTORNEY GENERAL,  
*Plaintiff,*

v.

PURDUE PHARMA L.P. *et al.*,  
*Defendants;*

SUPERIOR COURT

C.A. NO.: PC2018-4555

**RECITATIONS OF THE PARTIES:**

1. The State of Rhode Island (“*Plaintiff*”) brought the above-captioned action (the “*Action*”) against Defendants, McKesson Corporation, Cardinal Health, Inc., AmerisourceBergen Corporation, and certain subsidiaries thereof (collectively, “*Settling Distributors*”), alleging claims sounding in negligence, public nuisance, and unjust enrichment, as set forth in the Second Amended Complaint, a copy of which is attached hereto as Exhibit A, filed on December 20, 2019. Settling Distributors deny these allegations and deny all liability to Plaintiff.

2. The Plaintiff and Settling Distributors (collectively, the “*Parties*” and each a “*Party*”) entered into a consensual resolution of the Action as between them pursuant to a settlement agreement entitled Distributors Rhode Island Settlement Agreement, executed on January 24, 2022 (the “*Rhode Island Agreement*”), a copy of which is attached hereto as Exhibit B. Each Party warrants and represents that it engaged in arm’s-length negotiations between themselves in good faith. In executing the Rhode Island Settlement Agreement, the Parties intend to effect a good-faith settlement.

3. The Rhode Island Agreement becomes effective by its terms upon the entry of this Final Consent Judgment (the “*Judgment*” or “*Order*”) by the Court without trial or adjudication of any issue of fact or law arising from the Second Amended Complaint, and without finding or admission of wrongdoing or liability of any kind.

4. The Parties intend the terms of the Rhode Island Agreement to be consistent with the terms of the Distributor Global Settlement Agreement (“*Global Settlement*”). As of the date

of the signing of the Rhode Island Agreement, the State of Rhode Island intends to join the Global Settlement if it becomes effective, as set forth *infra*.

5. If the Global Settlement becomes effective by July 1, 2022, its terms will supersede the terms of this Agreement except for Sections III.B, V.C, V.J, V.L, VI, VIII, IX, XI.D, XI.F, XIII.D, XIII.E, and XIII.Q. If the Global Settlement is not effective by the aforementioned date, the Rhode Island Agreement and the Judgment giving effect to its terms will control.

6. The Rhode Island Abatement Amount shall be \$90,833,526.93, which is the Global Settlement Net Abatement Amount multiplied by the Rhode Island Overall Allocation Percentage, as those terms are defined in the Rhode Island Agreement. If, after execution of this Agreement, there is a collective resolution of substantially all Claims against the Settling Distributors via the Global Settlement under which the State of Rhode Island would have received a greater monetary amount than the sum of all amounts provided in the Rhode Island Agreement, Settling Distributors shall remit to the State of Rhode Island the difference as provided for in Section XIII.E of the Rhode Island Agreement. The Rhode Island Abatement Amount shall not be reduced whether or not the Global Settlement becomes effective.

7. Until the Global Settlement becomes effective, or in the event the Global Settlement does not become effective, disputes under the Rhode Island Agreement not resolved informally as prescribed by the Rhode Island Agreement shall be submitted to the Honorable Judge Richard Licht or his successor or such other judge as may be assigned to the underlying matter in the Providence County Superior Court, except as to disputes involving Injunctive Relief, which shall be governed by Section XII of the Rhode Island Agreement. The Parties consent to this Court retaining continuing jurisdiction for the limited purpose of enforcing the Rhode Island Agreement and this Consent Judgment.

8. If the Global Settlement becomes effective by July 1, 2022, disputes between or among the Parties shall be governed by the enforcement and dispute resolution provisions of the Global Settlement, notwithstanding any contrary provision in the Rhode Island Agreement.

9. It is the intent of the Parties that significant injunctive relief shall be implemented through the Global Settlement that will benefit the State of Rhode Island as a whole, as well as other States. In the event that the Global Settlement does not become effective by July 1, 2022, the Parties will meet and confer about elements of the injunctive relief that can be implemented in the State of Rhode Island on a statewide-only basis after July 1, 2022, pursuant to Section XII of the Rhode Island Agreement.

**NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:**

The Parties to this agreement are the State of Rhode Island, acting through its Attorney General and McKesson Corporation (“*McKesson*”), Cardinal Health, Inc. (“*Cardinal*”) and AmerisourceBergen Corporation (“*Amerisource*”).

This Court has jurisdiction over the subject matter of this lawsuit and over all the Parties.

Entry of this Order is in the public interest and reflects a negotiated settlement among the Parties, the terms of which shall be governed by the laws of the State of Rhode Island.

The Court finds that the Rhode Island Agreement was entered into in good faith.

Settling Distributors are willing to enter into this Order regarding the Covered Conduct defined in the Rhode Island Agreement to resolve the Attorney General's claims under Rhode Island statutory and common law as to the matters addressed in this Order and thereby avoid significant expense, inconvenience, and uncertainty.

Settling Distributors are entering into this Order solely for the purpose of settlement, and nothing contained herein may be taken as or construed to be an admission or concession of any violation of law, rule, or regulation, or of any other matter of fact or law, or of any liability or wrongdoing, all of which Settling Distributors expressly deny.

Settling Distributors do not admit any violation of common or statutory law, and do not admit any wrongdoing that was or could have been alleged by the Attorney General before the date of the Order under those laws.

It is the intent of the Parties that this Order not be admissible in other cases against Settling Distributors or binding on Settling Distributors in any respect other than in connection with the enforcement of this Order or the Rhode Island Agreement. For the avoidance of doubt, nothing herein shall prohibit a Settling Distributor from entering this Order or the Rhode Island Agreement into evidence in any litigation or arbitration concerning a Settling Distributor's right to coverage under an insurance contract.

This Order is made without trial or adjudication of any issue of fact or law arising from the Second Amended Complaint or finding of liability of any kind. No part of this Order, including its statements and commitments, shall constitute evidence of any liability, fault, or wrongdoing by Settling Distributors.

This document and its contents are not intended for use by any third party for any purpose, including submission to any court for any purpose, except pursuant to Section VII.A of the Rhode Island Agreement. No part of this Order or of the Rhode Island Agreement shall create a private cause of action or confer any right to any third party for violation of any federal or state statute.

This Order shall not be construed or used as a waiver or limitation of any defense otherwise available to Settling Distributors in any other action, or of Settling Distributors' right to defend from, or make any arguments in, any private individual action, class claims or suits, or any other governmental or regulatory action relating to the subject matter or terms of this Order.

By this Judgment, the Rhode Island Agreement is hereby approved by the Court.

The Parties have satisfied the Condition to Effectiveness of the Rhode Island Agreement set forth in Section III of the Agreement, as follows:

- a. By the Initial Participation Date, as that term is defined in the Rhode Island Agreement, the Rhode Island Attorney General exercised the fullest extent of his powers to release the Settling Distributors and all other Released Entities from all Claims for Covered Conduct pursuant to the release attached hereto as Exhibit C (“RI AG Release”);
- b. By the Initial Participation Date, the Rhode Island Attorney General secured the releases of Primary and Litigating Subdivisions specified in Section IX.F of the Rhode Island Agreement; and
- c. Each Rhode Island Primary and Litigating Subdivision has qualified as an Initial Participating Subdivision as of the Initial Participation Date by executing the required Subdivision Settlement Participation Form and the Rhode Island Memorandum of Understanding Between the State and Cities and Towns Receiving Opioid Settlement Funds that is attached as Exhibit H to the Rhode Island Agreement, and a copy of which is attached hereto as Exhibit D (hereafter, “RI MOU”), as these terms are defined in the Rhode Island Agreement. The Stipulation of Dismissal to be executed by the Rhode Island Litigating Subdivisions is attached hereto as Exhibit E.

The Settling Distributors shall pay the Rhode Island Abatement Amount to the State of Rhode Island and to the Participating Subdivisions pursuant to the schedule set forth in Section V and Exhibits G and R of the Rhode Island Agreement. The first payment (Payment Year 1) shall be made within 15 calendar days of the entry of this Order and the second payment (Payment Year 2) shall be made on or before July 15, 2022. The Rhode Island Agreement also calls for Annual Payments in Payment Year 3 and successive Payment Years to be paid in accordance with Section V.D. of the Rhode Island Agreement. All payments shall be paid into the Rhode Island Qualified Settlement Fund (“the Fund”).

The Fund shall be structured and operated in a manner so that it qualifies as a “Qualified Settlement Fund” within the meaning of section 468B of the Internal Revenue Code of 1986, as amended, as described in Treasury Regulations Section 1.468B-1 et seq., and shall remain subject to the continuing jurisdiction of this Court.

For Payment Years 1 and 2, the Court appoints Joseph F. Rice of Motley Rice, LLC to serve as Trustee and Administrator of the Rhode Island Qualified Settlement Fund (“Fund Administrator”) for purposes of Treasury Regulations Section 1.468B-2(k)(3). The Fund shall be held at the following financial institution, as hereby approved by the Court: Wells Fargo Bank, N.A., Account Number 2411745058, Federal Tax Identification Number 87-4156403.

For Payment Year 3 and successive years, the Fund Administrator shall be the Settlement Fund Administrator for the Global Settlement or, in the absence of a Global Settlement, the entity designated by the Parties to be the Fund Administrator.

Upon receipt of each payment under this Order, the Fund Administrator shall, pursuant to the RI MOU, or any State Allocation Statute, disburse 80% of the funds to the State of Rhode Island, which funds will be deposited by the State into the Rhode Island Statewide Opioid

Abatement Account, and 20% for disbursement directly to each Participating Subdivision pursuant to the City and Town Share Allocation in Exhibit D. Participating Subdivisions subject to this Order are those that have (1) met the requirements of Section IV of the Settlement Agreement and (2) have executed the RI MOU. For Payment Years 1 and 2, the Fund Administrator may disburse the 20% City and Town Share to Levin, Papantonio, Rafferty, Proctor Buchanan, O'Brien, Barr, & Mougey ("Levin Papantonio Rafferty"), counsel for the Litigating Subdivisions, which shall then remit payment to each Participating Subdivision pursuant to the Allocation Schedule in Exhibit D. The Fund Administrator and Levin Papantonio Rafferty shall submit a report to the Office of the Attorney General and the Court within 10 days of disbursement of funds to the State of Rhode Island and each Participating Subdivision detailing the disbursements made. Through the signature herein, Levin Papantonio Rafferty hereby assents to this Order and to the Rhode Island Agreement.

The Fund Administrator shall be responsible for making any necessary tax filings and payments of taxes, estimated taxes, and associated interest and penalties, if any, by the Fund. The Fund Administrator shall be responsible for responding to any questions from, or audits regarding such taxes by, the Internal Revenue Service or any state or local tax authority, as well as questions from the Department of Labor. The Fund Administrator shall also be responsible for complying with all tax information reporting and withholding requirements with respect to payments made by the Fund, as well as paying any associated interest and penalties. All such tax, interest, and penalty payments and all expenses and costs incurred in connection with taxation of the Fund (including, without limitation, expenses of tax attorneys and accountants) shall be paid from the Fund and shall be considered administrative costs of the settlement. No bond shall be required.

The Rhode Island Abatement Amount shall be used solely for Opioid Abatement and Remediation by the State and the Participating Subdivisions, as those terms are defined in, and in accordance with, the provisions of the Rhode Island Agreement, including Sections II.JJ, VI.B and Exhibits C and H of the Rhode Island Agreement.

The Court may hold any further proceedings and enter any separate orders, necessary to effectuate the provisions of Section VIII of the Rhode Island Agreement. The State and its counsel shall file their Motion for Costs and Fees prior to February \_\_\_\_, 2022 and the Court will determine further process.

This Court shall retain jurisdiction over the Parties for the limited purpose of enforcing the Rhode Island Agreement and this Order, except as provided for in Paragraph 8.

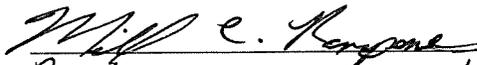
So ORDERED this 26<sup>th</sup> day of January, 2022.

Enter:

  
\_\_\_\_\_

Richard A. Licht, Associate Justice

By Order:

  
\_\_\_\_\_ *1/26/2022*  
Deputy  
Clerk

**APPROVED, AGREED TO AND PRESENTED BY:**

**State of Rhode Island**

Peter F. Neronha, Attorney General

By his attorney,

*Counsel for the State of RI*

PETER F. NERONHA  
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