



1 the entry of this Final Consent Judgment (the "Judgment") by the Court without trial or  
2 adjudication of any contested issue of fact or law, and without finding or admission of  
3 wrongdoing or liability of any kind.

4 **RECITALS:**

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6 1. Each Party warrants and represents that it engaged in arm's-length negotiations  
7 in good faith. In hereby executing the Agreement, the Parties intend to effect a good-faith  
8 settlement.

9 2. The Territory has determined that the Agreement is in the public interest.

10  
11 3. The Settling Distributors deny the allegations against them and that they have  
12 any liability whatsoever to the Territory, its Subdivisions, and/or (a) any of the Territory's or  
13 Subdivisions' departments, agencies, divisions, boards, commissions, districts,  
14 instrumentalities of any kind and attorneys, including its Attorney General, and any person in  
15 his or her official capacity whether elected or appointed to serve any of the foregoing and any  
16 agency, person, or other entity claiming by or through any of the foregoing, (b) any public  
17 entities, public instrumentalities, public educational institutions, unincorporated districts, fire  
18 districts, irrigation districts, and other Special Districts, and (c) any person or entity acting in a  
19 parens patriae, sovereign, quasi-sovereign, private attorney general, qui tam, taxpayer, or other  
20 capacity seeking relief on behalf of or generally applicable to the general public.

21  
22 4. The Parties recognize that the outcome of the Action is uncertain and a final  
23 resolution through the adversarial process likely will require protracted litigation.

1           5.     The Parties agree to the entry of the injunctive relief terms pursuant to Exhibit P  
2 of the Agreement.

3           6.     Therefore, without any admission of liability or wrongdoing by the Settling  
4 Distributors or any other Released Entities (as defined in the Agreement), the Parties now  
5 mutually consent to the entry of this Judgment and agree to dismissal of the claims with  
6 prejudice pursuant to the terms of the Agreement to avoid the delay, expense, inconvenience,  
7 and uncertainty of protracted litigation.  
8

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

10           In consideration of the mutual promises, terms, and conditions set forth in the  
11 Agreement, the adequacy of which is hereby acknowledged by all Parties, it is agreed by and  
12 between the Settling Distributors and the Territory, and adjudicated by the Court, as follows:  
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14           1.     The foregoing Recitals are incorporated herein and constitute an express term of  
15 this Judgment.

16           2.     The Parties have entered into a full and final settlement of all Released Claims  
17 of Releasers against the Settling Distributors (including but not limited to the Territory) and the  
18 Released Entities pursuant to the terms and conditions set forth in the Agreement.  
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20           3.     The "Definitions" set forth in Section I of the Agreement are incorporated by  
21 reference into this Judgment. The Territory is both a "State" and a "Settling State" within the  
22 meaning of the Agreement. Unless otherwise defined herein, capitalized terms in this  
23 Judgment shall have the same meaning given to them in the Agreement.  
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1           4.     The Parties agree that the Court has jurisdiction over the subject matter of the  
2 Action and over the Parties with respect to the Action and this Judgment. This Judgment shall  
3 not be construed or used as a waiver of any jurisdictional defense the Settling Distributors or  
4 any other Released Entity may raise in any other proceeding.

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

6           6.     The Court finds that entry of this Judgment is in the public interest and reflects a  
7 negotiated settlement agreed to by the Parties. The Action is dismissed with prejudice, subject  
8 to a retention of jurisdiction by the Court as provided herein and in the Agreement.  
9

10          7.     By this Judgment, the Agreement is hereby approved by the Court, and the  
11 Court hereby adopts the Agreement's terms as its own determination of this matter and the  
12 Parties' respective rights and obligations.  
13

14          8.     The Court shall have authority to resolve disputes identified in Section VI.F.1 of  
15 the Agreement, governed by the rules and procedures of the Court.

16          9.     The Parties have satisfied the Condition to Effectiveness of Agreement set forth  
17 in Section VIII of the Agreement and the Release set forth in Sections XI.A, F, and G of the  
18 Agreement, as follows:  
19

- 20          a) The Attorney General of the Territory exercised the fullest extent of his or her powers  
21 to release the Settling Distributors and all other Released Entities from all Released  
22 Claims pursuant to the release attached hereto as Exhibit B (the "AG Release").  
23          b) The Settling Distributors have determined that there is sufficient State participation and  
24 sufficient resolution of the Claims of the Litigating Subdivisions in the Settling States to  
25 proceed with the Agreement. .  
25          c) The Participation Form for each Initial Participating Subdivision in the Territory has  
been delivered to the Settling Distributors. As stated in the Participation Form, and for  
the avoidance of doubt, nothing in the Participation Form executed by the Participating

1 Subdivisions is intended to modify in any way the terms of the Agreement to which the  
2 Participating Subdivisions agree. As stated in the Participation Form, to the extent the  
3 executed version of the Participation Form differs from the Agreement in any respect,  
4 the Agreement controls.

- 5 d) Pursuant to Section VIII.B of the Agreement, each Participating Subdivision in the  
6 Territory is dismissing with prejudice any Released Claims that it has filed against the  
7 Settling Distributors and the Released Entities.

8 10. Release. The Parties acknowledge that the AG Release, which is incorporated  
9 by reference herein, is an integral part of this Judgment. Pursuant to the Agreement and the  
10 AG Release and without limitation and to the maximum extent of the power of the Territory's  
11 Attorney General, the Settling Distributors and the other Released Entities are, as of the  
12 Effective Date, hereby released from any and all Released Claims of (a) the Territory and its  
13 Participating Subdivisions and any of their departments, agencies, divisions, boards,  
14 commissions, Subdivisions, districts, instrumentalities of any kind and attorneys, including the  
15 Territory's Attorney General, and any person in his or her official capacity whether elected or  
16 appointed to serve any of the foregoing, and any agency, person, or other entity claiming by or  
17 through any of the foregoing, (b) any public entities, public instrumentalities, public  
18 educational institutions, unincorporated districts, fire districts, irrigation districts, and other  
19 Special Districts in the Territory, and (c) any person or entity acting in a *parens patriae*,  
20 sovereign, quasi-sovereign, private attorney general, *qui tam*, taxpayer, or other capacity  
21 seeking relief on behalf of or generally applicable to the general public with respect to the  
22 Territory or any Subdivision in the Territory, whether or not any of them participate in the  
23 Agreement. Pursuant to the Agreement and the AG Release and to the maximum extent of the  
24 Territory's power, the Settling Distributors and the other Released Entities are, as of the  
25 Effective Date, hereby released from any and all Released Claims of (1) the Territory, (2) all

1 past and present executive departments, Territory agencies, divisions, boards, commissions and  
2 instrumentalities with the regulatory authority to enforce Territory and federal controlled  
3 substances acts, and (3) any of the Territory's past and present executive departments, agencies,  
4 divisions, boards, commissions and instrumentalities that have the authority to bring Claims  
5 related to Covered Conduct seeking money (including abatement and/or remediation) or  
6 revocation of a pharmaceutical distribution license. For the purposes of clause (3) above,  
7 executive departments, agencies, divisions, boards, commissions, and instrumentalities are  
8 those that are under the executive authority or direct control of the Territory's Governor.  
9 Further, the provisions set forth in Section XI of the Agreement are incorporated by reference  
10 into this Judgment as if fully set forth herein. The Parties acknowledge, and the Court finds,  
11 that those provisions are an integral part of the Agreement and this Judgment, and shall govern  
12 the rights and obligations of all participants in the settlement. Any modification of those rights  
13 and obligations may be made based only on a writing signed by all affected parties and  
14 approved by the Court.  
15

16           11.    Release of Unknown Claims. The Territory expressly waives, releases, and  
17 forever discharges any and all provisions, rights, and benefits conferred by any law of any state  
18 or territory of the United States or other jurisdiction, or principle of common law, which is  
19 similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:  
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21                   **General Release; extent.** A general release does not extend to  
22 claims that the creditor or releasing party does not know or  
23 suspect to exist in his or her favor at the time of executing the  
24 release that, if known by him or her, would have materially  
25 affected his or her settlement with the debtor or released party.

1           12.    The Territory may hereafter discover facts other than or different from those  
2 which it knows, believes, or assumes to be true with respect to the Released Claims, but the  
3 Territory expressly waived and fully, finally, and forever settled, released and discharged,  
4 through the Agreement and AG Release, any and all Released Claims that may exist as of the  
5 Effective Date but which the Territory does not know or suspect to exist, whether through  
6 ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known,  
7 would have materially affected the Territory's decision to enter into the Agreement.  
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9           13.    Costs and Fees. The Parties will bear their own costs and attorneys' fees except  
10 as otherwise provided in the Agreement.

11           14.    No Admission of Liability. The Settling Distributors are consenting to this  
12 Judgment solely for the purpose of effectuating the Agreement, and nothing contained herein  
13 may be taken as or construed to be an admission or concession of any violation of law, rule, or  
14 regulation, or of any other matter of fact or law, or of any liability or wrongdoing, all of which  
15 the Settling Distributors expressly deny. None of the Settling Distributors or any other  
16 Released Entity admits that it caused or contributed to any public nuisance, and none of the  
17 Settling Distributors or any other Released Entity admits any wrongdoing that was or could  
18 have been alleged by the Territory, its Participating Subdivisions, or any other person or entity.  
19 No part of this Judgment shall constitute evidence of any liability, fault, or wrongdoing by the  
20 Settling Distributors or any other Released Entity. The Parties acknowledge that payments  
21 made under the Agreement are not a fine, penalty, or payment in lieu thereof and are properly  
22 characterized as described in Section V.F of the Agreement.  
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1           15.    No Waiver. This Judgment is entered based on the Agreement without trial or  
2 adjudication of any contested issue of fact or law or finding of liability of any kind. This  
3 Judgment shall not be construed or used as a waiver of any Settling Distributor's right, or any  
4 other Released Entity's right, to defend itself from, or make any arguments in, any other  
5 regulatory, governmental, private individual, or class claims or suits relating to the subject  
6 matter or terms of this Judgment. Notwithstanding the foregoing, the Territory may enforce the  
7 terms of this Judgment as expressly provided in the Agreement.  
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9           16.    No Private Right of Action. This Judgment is not intended for use by any third  
10 party for any purpose, including submission to any court for any purpose, except pursuant to  
11 Section VIA of the Agreement. Except as expressly provided in the Agreement, no portion of  
12 the Agreement or this Judgment shall provide any rights to, or be enforceable by, any person or  
13 entity that is not a Settling State or Released Entity. The Territory shall allow Participating  
14 Subdivisions in the Territory to notify it of any perceived violations of the Agreement or this  
15 Judgment. No Settling State, including the Territory, may assign or otherwise convey any right  
16 to enforce any provision of the Agreement.  
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18           17.    Admissibility. It is the intent of the Parties that this Judgment not be admissible  
19 in other cases against the Settling Distributors or binding on the Settling Distributors in any  
20 respect other than in connection with the enforcement of this Judgment or the Agreement. For  
21 the avoidance of doubt, nothing herein shall prohibit a Settling Distributor from entering this  
22 Judgment or the Agreement into evidence in any litigation or arbitration concerning (1) a  
23 Settling Distributor's right to coverage under an insurance contract or (2) the enforcement of  
24 the releases provided for by the Agreement and this Judgment.  
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1           18.   Preservation of Privilege.  Nothing contained in the Agreement or this  
2 Judgment, and no act required to be performed pursuant to the Agreement or this Judgment, is  
3 intended to constitute, cause, or effect any waiver (in whole or in part) of any attorney-client  
4 privilege, work product protection, or common interest/joint defense privilege, and each Party  
5 agrees that it shall not make or cause to be made in any forum any assertion to the contrary.

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7           19.   Mutual Interpretation.  The Parties agree and stipulate that the Agreement was  
8 negotiated on an arm's-length basis between parties of equal bargaining power and was drafted  
9 jointly by counsel for each Party.  Accordingly, the Agreement is incorporated herein by  
10 reference and shall be mutually interpreted and not construed in favor of or against any Party,  
11 except as expressly provided for in the Agreement.

12           20.   Retention of Jurisdiction.  The Court shall retain jurisdiction of the Parties for  
13 the limited purpose of the resolution of disputes identified in Section VI.F.1 of the Agreement.  
14 The Court shall have jurisdiction over Participating Subdivisions in the Territory for the limited  
15 purposes identified in the Agreement.

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17           21.   Successors and Assigns.  This Judgment is binding on each of the Settling  
18 Distributor's successors and assigns.

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**DISTRIBUTOR SETTLEMENT**  
**AGREEMENT**

EXHIBIT "A"