

IN THE CIRCUIT COURT FOR KNOX COUNTY, TENNESSEE  
SIXTH JUDICIAL DISTRICT AT KNOXVILLE

STATE OF TENNESSEE, )  
*ex rel.* HERBERT H. SLATERY III, )  
ATTORNEY GENERAL and REPORTER, )  
 )  
Plaintiff, )  
 )  
v. )  
 )  
AMERISOURCEBERGEN DRUG )  
CORPORATION, )  
MCKESSON CORPORATION, )  
CARDINAL HEALTH, INC., and )  
AMERISOURCEBERGEN CORPORATION, )  
 )  
Defendants. )

RECEIVED  
12-8-21

Case No. 1-345-19

Judge Jerome Melson

CONSENT FINAL JUDGMENT AND DISMISSAL WITH PREJUDICE

The State of Tennessee, by and through Herbert H. Slatery III, the Attorney General and Reporter, (“State”) and AmerisourceBergen Drug Corporation, McKesson Corporation, Cardinal Health, Inc., and AmerisourceBergen Corporation, together with the subsidiaries thereof (collectively, the “Settling Distributors,” and each a “Settling Distributor”) (together with the State, the “Parties,” and each a “Party”) have entered into a consensual resolution of the above-captioned litigation (the “Action”) pursuant to a settlement agreement entitled Distributor Settlement Agreement, dated July 21, 2021 (as subsequently updated) (the “Agreement”), a copy of which is attached hereto as Exhibit A. The Agreement shall become effective by its terms upon the entry of this Consent Final Judgment (the “Judgment”) by the Court without trial or adjudication of any contested issue of fact or law, and without finding or admission of wrongdoing or liability of any kind.

IN THE CIRCUIT COURT FOR KNOX COUNTY, TENNESSEE 022 JUN -8 AM 11:35  
SIXTH JUDICIAL DISTRICT AT KNOXVILLE

KNOX COUNTY CIRCUIT,  
CIVIL SESSIONS  
AND JUVENILE COURTS

STATE OF TENNESSEE, )  
*ex rel.* HERBERT H. SLATERY III, )  
ATTORNEY GENERAL and REPORTER, )  
 )  
Plaintiff, )  
 )  
v. )  
 )  
AMERISOURCEBERGEN DRUG )  
CORPORATION, )  
MCKESSON CORPORATION, )  
CARDINAL HEALTH, INC., and )  
AMERISOURCEBERGEN CORPORATION, )  
 )  
Defendants. )

Case No. 1-345-19

Judge Jerome Melson

**CONSENT FINAL JUDGMENT AND DISMISSAL WITH PREJUDICE**

The State of Tennessee, by and through Herbert H. Slatery III, the Attorney General and Reporter, ("State") and AmerisourceBergen Drug Corporation, McKesson Corporation, Cardinal Health, Inc., and AmerisourceBergen Corporation, together with the subsidiaries thereof (collectively, the "Settling Distributors," and each a "Settling Distributor") (together with the State, the "Parties," and each a "Party") have entered into a consensual resolution of the above-captioned litigation (the "Action") pursuant to a settlement agreement entitled Distributor Settlement Agreement, dated July 21, 2021 (as subsequently updated) (the "Agreement"), a copy of which is attached hereto as Exhibit A. The Agreement shall become effective by its terms upon the entry of this Consent Final Judgment (the "Judgment") by the Court without trial or adjudication of any contested issue of fact or law, and without finding or admission of wrongdoing or liability of any kind.

**RECITALS:**

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

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

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

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

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

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

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

In consideration of the mutual promises, terms, and conditions set forth in the Agreement, the adequacy of which is hereby acknowledged by all Parties, it is agreed by and between the Settling Distributors and the State, and adjudicated by the Court, as follows:

1. The foregoing Recitals are incorporated herein and constitute an express term of this Judgment.

2. The Parties have entered into a full and final settlement of all Released Claims of Releasers against the Settling Distributors (including but not limited to the State) and the Released Entities pursuant to the terms and conditions set forth in the Agreement.

3. The "Definitions" set forth in Section I of the Agreement are incorporated by reference into this Judgment. The State is a "Settling State" within the meaning of the Agreement. Unless otherwise defined herein, capitalized terms in this Judgment shall have the same meaning given to them in the Agreement.

4. The Parties agree that the Court has jurisdiction over the subject matter of the Action and over the Parties with respect to the Action and this Judgment. This Judgment shall not be construed or used as a waiver of any jurisdictional defense the Settling Distributors or any other Released Entity may raise in any other proceeding.

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

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

7. By this Judgment, the Agreement is hereby approved by the Court, and the Court, by the Parties' request, hereby adopts the Agreement's terms and the Parties' respective rights and obligations, as the same apply to the State of Tennessee and its subdivisions.

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

9. The Tennessee State-Subdivision Opioid Abatement Agreement, a copy of which is attached hereto as Exhibit B and as incorporated into the Agreement pursuant to Exhibit O of the Agreement, has been approved by the State and its local governments so that it is effective pursuant to the Agreement. By this Judgment, it is hereby approved by the Court as the means by which relevant funds paid pursuant to the Agreement will be divided within the State, subject to the full acceptance by any Subdivision receiving such funds of the terms of the Agreement, including the releases provided therein.

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

- a. The Attorney General of the State of Tennessee exercised the fullest extent of his powers to release the Settling Distributors and all other Released Entities from all Released Claims pursuant to the release attached hereto as Exhibit C (the “AG Release”).
- b. The Settling Distributors have determined that there is sufficient State participation and sufficient resolution of the Claims of the Litigating Subdivisions in the Settling States to proceed with the Agreement.
- c. The Participation Form for each Initial Participating Subdivision in the State 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 Subdivisions is intended to modify in any way the terms of the Agreement to which the Participating Subdivisions agree. As stated in the Participation Form, to the extent the executed version of the Participation Form differs from the Agreement in any respect, the Agreement controls.
- d. Pursuant to Section VIII.B of the Agreement, each Participating Subdivision in the State is dismissing with prejudice any Released Claims that it has filed against the Settling Distributors and the Released Entities.

11. Release. The Parties acknowledge that the AG Release, which is incorporated by reference herein, is an integral part of this Judgment. Pursuant to the Agreement and the AG Release and without limitation and to the maximum extent of the power of the State's Attorney General, the Settling Distributors and the other Released Entities are, as of the Effective Date, hereby released from any and all Released Claims of (a) the State and its Participating Subdivisions and any of their departments, agencies, divisions, boards, commissions, Subdivisions, districts, instrumentalities of any kind and attorneys, including the State's Attorney General, and any person in his or her official capacity whether elected or appointed to serve any of the foregoing, and any agency, person, or other entity claiming by or through any of the foregoing; (b) any public entities, public instrumentalities, public educational institutions, unincorporated districts, fire districts, irrigation districts, and other Special Districts in the State; and (c) any person or entity acting in a *parens patriae*, sovereign, quasi-sovereign, private attorney general, *qui tam*, taxpayer, or other capacity seeking relief on behalf of or generally applicable to the general public with respect to the State or any Subdivision in the State, whether or not any of them participate in the Agreement. Pursuant to the Agreement and the AG Release and to the maximum extent of the State's power, the Settling Distributors and the other Released Entities are, as of the Effective Date, hereby released from any and all Released Claims of (1) the State; (2) all past and present executive departments, state agencies, divisions, boards, commissions and instrumentalities with the regulatory authority to enforce state and federal controlled substances acts; and (3) any of the State's past and present executive departments, agencies, divisions, boards, commissions and instrumentalities that have the authority to bring Claims related to Covered Conduct seeking money (including abatement and/or remediation) or revocation of a pharmaceutical distribution license. For the purposes of clause (3) above, executive departments, agencies, divisions, boards,

commissions, and instrumentalities are those that are under the executive authority or direct control of the State's Governor. Further, the provisions set forth in Section XI of the Agreement are incorporated by reference into this Judgment as if fully set forth herein. The Parties acknowledge, and the Court finds, that those provisions are an integral part of the Agreement and this Judgment, and shall govern the rights and obligations of all participants in the settlement. Any modification of those rights and obligations may be made based only on a writing signed by all affected parties and approved by the Court.

12. Release of Unknown Claims. The State expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

**General Release; extent.** A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

13. The State may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims, but the State expressly waived and fully, finally, and forever settled, released and discharged, through the Agreement and AG Release, any and all Released Claims that may exist as of the Effective Date but which the State does not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would have materially affected the State's decision to enter into the Agreement.

14. Statutory Release. The Attorney General and Reporter, with written approval of the Governor and Comptroller of the Treasury, has issued a Declaration of a Statewide Opioid Settlement Agreement Release and Release of Claims Regarding Opioids Pursuant to Tenn. Code

Ann. § 20-13-203, which releases any Released Claims of governmental entities against the Settling Distributors and the Settling Distributors' affiliates, subsidiaries, and other related entities for activities related to the manufacture, marketing, distribution, dispensing, or sale of opioids, or related activities. The Declaration of a Statewide Opioid Settlement Agreement Release and Release of Claims Regarding Opioids Pursuant to Tenn. Code Ann. § 20-13-203 is attached hereto as Exhibit D.

15. Costs and Fees. The Parties will bear their own costs and attorneys' fees except as otherwise provided in the Agreement.

16. No Admission of Liability. The Settling Distributors are consenting to this Judgment solely for the purpose of effectuating the Agreement, 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 the Settling Distributors expressly deny. None of the Settling Distributors or any other Released Entity admits that it caused or contributed to any public nuisance, and none of the Settling Distributors or any other Released Entity admits any wrongdoing that was or could have been alleged by the State, its Participating Subdivisions, or any other person or entity. No part of this Judgment shall constitute evidence of any liability, fault, or wrongdoing by the Settling Distributors or any other Released Entity. The Parties acknowledge that payments made under the Agreement are not a fine, penalty, or payment in lieu thereof and are properly characterized as described in Section V.F of the Agreement.

17. No Waiver. This Judgment is entered based on the Agreement without trial or adjudication of any contested issue of fact or law or finding of liability of any kind. This Judgment shall not be construed or used as a waiver of any Settling Distributor's right, or any other Released

Entity's right, to defend itself from, or make any arguments in, any other regulatory, governmental, private individual, or class claims or suits relating to the subject matter or terms of this Judgment. Notwithstanding the foregoing, the State may enforce the terms of this Judgment as expressly provided in the Agreement.

18. No Private Right of Action. This Judgment is not intended for use by any third party for any purpose, including submission to any court for any purpose, except pursuant to Section VI.A of the Agreement. Except as expressly provided in the Agreement, no portion of the Agreement or this Judgment shall provide any rights to, or be enforceable by, any person or entity that is not a Settling State or Released Entity. The State shall allow Participating Subdivisions in the State to notify it of any perceived violations of the Agreement or this Judgment. No Settling State, including the State, may assign or otherwise convey any right to enforce any provision of the Agreement.

19. Admissibility. It is the intent of the Parties that this Judgment not be admissible in other cases against the Settling Distributors or binding on the Settling Distributors in any respect other than in connection with the enforcement of this Judgment or the Agreement. For the avoidance of doubt, nothing herein shall prohibit a Settling Distributor from entering this Judgment or the Agreement into evidence in any litigation or arbitration concerning (1) a Settling Distributor's right to coverage under an insurance contract; or (2) the enforcement of the releases provided for by the Agreement and this Judgment.

20. Preservation of Privilege. Nothing contained in the Agreement or this Judgment, and no act required to be performed pursuant to the Agreement or this Judgment, is intended to constitute, cause, or effect any waiver (in whole or in part) of any attorney-client privilege, work

product protection, or common interest/joint defense privilege, and each Party agrees that it shall not make or cause to be made in any forum any assertion to the contrary.

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

22. Retention of Jurisdiction. The Court shall retain jurisdiction of the Parties for the limited purpose of the resolution of disputes identified in Section VI.F.1 of the Agreement. The Court shall have jurisdiction over Participating Subdivisions in the State for the limited purposes identified in the Agreement.

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

24. Modification. This Judgment shall not be modified (by the Court, by any other court, or by any other means) without the consent of the State and the Settling Distributors, or as provided for in Section XIV.U of the Agreement.

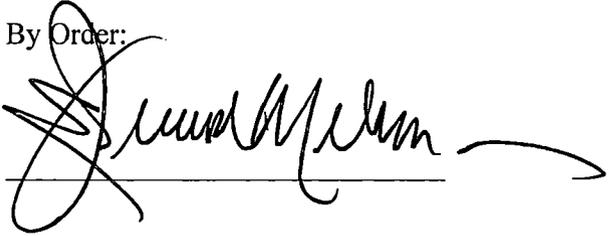
25. This Judgment is certified as a final judgment pursuant to Tennessee Rule of Civil Procedure 54.01 and adjudicates all matters at issue in this case. Pursuant to Tenn. Code Ann. § 47-18-116, no costs shall be taxed against the Attorney General. Court costs are taxed against all Settling Distributors to be shared equally, for which execution may issue if necessary.

So ORDERED this \_\_\_\_\_ day of June, 2022.

Enter:

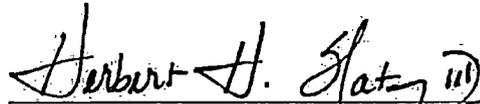
JUNE 8, 2022

By Order:



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

FOR STATE OF TENNESSEE:



**HERBERT H. SLATTERY III**, B.P.R. No. 9077  
Attorney General and Reporter



**MARGARET ROWLAND**, B.P.R. No. 33513  
Assistant Attorney General  
**OLHA N.M. RYBAKOFF**, B.P.R. No. 24254  
Senior Assistant Attorney General  
Office of the Attorney General of Tennessee  
Consumer Protection Division  
P.O. Box 20207  
Nashville, TN 37202  
(615) 741-3549  
(615) 532-2910 (fax)  
margaret.rowland@ag.tn.gov  
olha.rybakoff@ag.tn.gov

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

**FOR SETTLING DISTRIBUTOR, MCKESSON CORPORATION:**



JOHN-DAVID H. THOMAS, B.P.R. No. 27582

Waller, Lansden, Dortch & Davis, LLP

Nashville City Center

511 Union Street, Suite 2700

Nashville, TN 37219

(615) 244-6380

jd.thomas@wallerlaw.com

JEFFRY C. SMITH, B.P.R. No. 16295

Waller, Lansden, Dortch & Davis, LLP

7776 Farmington Blvd. #381586

Germantown, TN 38183

jeff.smith@wallerlaw.com

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

FOR SETTLING DISTRIBUTOR, CARDINAL HEALTH:

/s/ Lela M. Hollabaugh  
LELA M. HOLLABAUGH, B.P.R. No. 14894  
BRADLEY  
Roundabout Plaza  
1600 Division Street, Ste 700  
Nashville, TN 37203  
lhollabaugh@bradley.com

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

**FOR SETTLING DISTRIBUTORS, AMERISOURCEBERGEN DRUG CORPORATION AND  
AMERISOURCEBERGEN CORPORATION:**

/s/ Kyle W. Eiselstein

ROGER W. DICKSON, B.P.R. No. 1933  
KYLE W. EISELSTEIN, B.P.R. No. 20727  
MEREDITH C. LEE, B.P.R. No. 33948  
Miller & Martin, PLLC  
Volunteer Building, Ste. 1200  
832 Georgia Avenue  
Chattanooga, TN 37402  
roger.dickson@millermartin.com  
kyle.eiselstein@millermartin.com  
meredith.lee@millermartin.com