

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

**STATE OF WASHINGTON
KING COUNTY SUPERIOR COURT**

STATE OF WASHINGTON,

Plaintiff,

v.

CVS HEALTH CORPORATION and CVS
PHARMACY, INC.,

Defendants.

NO. 23-2-22052-8 SEA

FINAL CONSENT JUDGMENT AND
DISMISSAL WITH PREJUDICE

FINAL CONSENT JUDGMENT AND DISMISSAL WITH PREJUDICE

The State of Washington (State) and CVS Health Corporation and CVS Pharmacy, Inc., together with and all of their past and present direct and indirect parents and subsidiaries (collectively, CVS) (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 dated December 9, 2022 (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 Final Consent Judgment (the Consent 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.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

I. 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, acting through its Attorney General, has determined that the Agreement and entry of this Consent Judgment is in the public interest.

3. CVS denies the allegations against it and denies that it has any liability whatsoever to the State, its Subdivisions, and/or (a) any of the State's or its 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, water districts, law enforcement districts, emergency services districts, school districts, hospital 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. CVS is entering into this Consent Judgment 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, regulation, or ordinance, or of any other matter of fact or law, or of any fault, liability, or wrongdoing, all of which CVS denies.

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 attached as Exhibit P to the Agreement.

1 6. Therefore, without any admission of liability or wrongdoing by CVS or any other
2 Released Entities (as defined in the Agreement), and without this Consent Judgment constituting
3 evidence against or admission by anyone with respect to any issue of fact or law, the Parties now
4 mutually consent to the entry of this Consent Judgment and agree to dismissal of the claims with
5 prejudice pursuant to the terms of the Agreement to avoid the delay, expense, inconvenience,
6 and uncertainty of protracted litigation.

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

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

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

14 2. The Parties have entered into a full and final settlement of all Released Claims of
15 Releasors (including but not limited to the State) against CVS and the Released Entities pursuant
16 to the terms and conditions set forth in the Agreement. This Consent Judgment summarizes and
17 gives effect to those terms. In the event of a conflict between the terms of the Agreement
18 (including its exhibits) and language in this Consent Judgment, the terms of the Agreement shall
19 govern. Nothing in this summary document shall have the effect of expanding, diminishing,
20 explaining, or otherwise modifying any term of the Agreement.

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

25 4. The Parties agree that the Court has jurisdiction over the subject matter of the
26 Action and over the Parties with respect to the Action and this Consent Judgment. This Consent

1 Judgment shall not constitute and shall not be construed or used as a waiver of any jurisdictional
2 defense CVS or any other Released Entity may raise in any other proceeding.

3 5. The Court finds that the Agreement was entered into in good faith and is in the
4 public interest, and that entry of this Consent Judgment is in the public interest. By this Consent
5 Judgment, the Agreement is hereby approved by the Court.

6 6. The State's Claims against CVS are hereby DISMISSED WITH PREJUDICE,
7 subject to a retention of jurisdiction by the Court as provided herein and in the Agreement.

8 7. The Court shall have authority to resolve disputes identified in Section VI.F.2 of
9 the Agreement, governed by the rules and procedures of the Court.

10 8. By this Consent Judgment, *the Washington State Attorney General's CVS*
11 *Settlement Agreement*, a copy of which is attached hereto as Exhibit B and as incorporated into
12 the Agreement pursuant to Exhibit O of the Agreement, is hereby approved by the Court as the
13 means by which relevant funds paid pursuant to the Agreement will be divided within the State,
14 provided that any Subdivision receiving such funds executes a Subdivision Participation
15 Agreement accepting the terms of the Agreement, including the releases provided therein.

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 and G of the
18 Agreement, as follows:

19 a. The Attorney General of the State exercised the fullest extent of his or her
20 powers to release CVS and all other Released Entities from all Released
21 Claims pursuant to the release attached hereto as Exhibit C (the AG
22 Release).

23 b. CVS has determined to proceed with the Agreement.

24 c. The Subdivision Participation Agreement for each Participating
25 Subdivision in the State that has joined to date has been made available to
26 CVS. As stated in the Subdivision Participation Agreement, and for the

1 avoidance of doubt, nothing in the Subdivision Participation Agreement
2 executed by the Participating Subdivisions is intended to modify in any
3 way the terms of the Agreement to which the Participating Subdivisions
4 agree. As stated in the Subdivision Participation Agreement, to the extent
5 the terms of the executed version of the Subdivision Participation
6 Agreement differ from the terms of the Agreement in any respect, the
7 terms of the Agreement control.

8 d. Pursuant to Section VIII.C of the Agreement and Paragraph 2 of the
9 Subdivision Participation Agreement, each Litigating Subdivision in the
10 State that has become a Participating Subdivision is dismissing with
11 prejudice any Released Claims that it has filed against CVS or any of the
12 Released Entities.

13 10. Release. The Parties acknowledge that the release provisions in Section XI of the
14 Agreement and the AG Release, which are incorporated by reference herein, are an integral part
15 of this Consent Judgment. Pursuant to the Agreement and the AG Release and without limitation
16 and to the maximum extent of the power of the State's Attorney General, CVS and the other
17 Released Entities are, as of the Effective Date, hereby released from any and all Released Claims
18 of (a) the State and its Participating Subdivisions and any of their departments, agencies,
19 divisions, boards, commissions, Subdivisions, districts, instrumentalities of any kind and
20 attorneys, including the State's Attorney General, and any person in his or her official capacity
21 whether elected or appointed to serve any of the foregoing, and any agency, person, or other
22 entity claiming by or through any of the foregoing, (b) any public entities, public
23 instrumentalities, public educational institutions, unincorporated districts, fire districts, irrigation
24 districts, water districts, law enforcement districts, emergency services districts, school districts,
25 hospital districts, and other Special Districts in the State, and (c) any person or entity acting in a
26 *parens patriae*, sovereign, quasi-sovereign, private attorney general, *qui tam*, taxpayer, or other

1 capacity seeking relief on behalf of or generally applicable to the general public with respect to
2 the State or any Subdivision in the State, whether or not any of them participate in the
3 Agreement. Pursuant to the Agreement and the AG Release and to the maximum extent of the
4 State's power, CVS and the other Released Entities are, as of the Effective Date, hereby released
5 from any and all Released Claims of (1) the State, (2) all past and present executive departments,
6 state agencies, divisions, boards, commissions and instrumentalities with the regulatory
7 authority to enforce state and federal controlled substances acts, and (3) any of the State's past
8 and present executive departments, agencies, divisions, boards, commissions and
9 instrumentalities that have the authority to bring Claims related to Alleged Harms and/or
10 Covered Conduct seeking money (including abatement and/or remediation) or revocation of a
11 pharmaceutical distribution or dispensing license. For the purposes of clause (3) above,
12 executive departments, agencies, divisions, boards, commissions, and instrumentalities are those
13 that are under the executive authority or direct control of the State's Governor. Further, the
14 provisions set forth in Section XI of the Agreement are incorporated by reference into this
15 Consent Judgment as if fully set forth herein. The Parties acknowledge, and the Court finds, that
16 those provisions are an integral part of the Agreement and this Consent Judgment, and shall
17 govern the rights and obligations of all participants in the settlement, including without limitation
18 the State, CVS and the Released Entities.

19 11. Release of Unknown Claims. The State (for itself and its Releasers) expressly
20 waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by
21 any law of any state or territory of the United States or other jurisdiction, or principle of common
22 law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which
23 reads:

24 **General Release; extent.** A general release does not extend to claims that the
25 creditor or releasing party does not know or suspect to exist in his or her favor at
26 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.

1 The State may hereafter discover facts other than or different from those which it knows,
2 believes, or assumes to be true with respect to the Released Claims, but the State (for itself and
3 its Releasors) 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 State does not know or suspect to exist, whether through ignorance,
6 oversight, error, negligence or through no fault whatsoever, and which, if known, would have
7 materially affected the State's decision to enter into the Agreement.

8 12. The Court finds that the releases are given in good faith and are effective as to all
9 Releasors and Released Entities.

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

12 14. No Admission of Liability. CVS is consenting to this Consent Judgment solely
13 for the purpose of effectuating the Agreement, and nothing contained herein may be taken as or
14 construed to be an admission or concession of any violation of law, rule, or regulation, or of any
15 other matter of fact or law, or of any liability or wrongdoing, all of which CVS expressly denies.
16 Neither CVS nor any other Released Entity admits that it caused or contributed to any public
17 nuisance, and neither CVS nor any other Released Entity admits any wrongdoing that was or
18 could have been alleged by the State, its Participating Subdivisions, or any other person or entity.
19 No part of this Consent Judgment shall constitute evidence of any liability, fault, or wrongdoing
20 by CVS or any other Released Entity. The Parties acknowledge that payments made under the
21 Agreement are not a fine, penalty, or payment in lieu thereof and are properly characterized as
22 described in Section V.F of the Agreement.

23 15. No Waiver. This Consent Judgment is entered based on the Agreement without
24 trial or adjudication of any contested issue of fact or law or finding of liability of any kind. This
25 Consent Judgment shall not be construed or used as a waiver of CVS's right, or any other
26 Released Entity's right, to defend itself from, or make any arguments in, any other regulatory,

1 governmental, private individual, or class claims or suits relating to the subject matter or terms
2 of this Consent Judgment. Notwithstanding the foregoing, the State may enforce the terms of
3 this Consent Judgment as expressly provided in the Agreement.

4 16. No Private Right of Action. This Consent Judgment is not for use by any third
5 party for any purpose, including submission to any court for any purpose, except Participating
6 Subdivisions for the limited purposes set forth in Section VI.A of the Agreement. Except as
7 expressly provided in the Agreement, no portion of the Agreement or this Consent Judgment
8 shall provide any rights to, or be enforceable by, any person or entity that is not a Settling State
9 or Released Entity. The State shall allow Participating Subdivisions in the State to notify it of
10 any perceived violations of the Agreement or this Consent Judgment. No Settling State,
11 including the State, may assign or otherwise convey any right to enforce any provision of the
12 Agreement.

13 17. Admissibility. This Consent Judgment shall not be admissible in any other case
14 against CVS or any other Released Entity. This Consent Judgment shall not be binding on CVS
15 or any other Released Entity in any respect other than in connection with the enforcement of this
16 Consent Judgment or the Agreement in the State. For the avoidance of doubt, nothing herein
17 shall prohibit CVS or any other Released Entity from entering this Consent Judgment or the
18 Agreement into evidence in any litigation or arbitration concerning (1) CVS's right to coverage
19 under an insurance contract or (2) the enforcement of the releases provided for by the Agreement
20 and this Consent Judgment.

21 18. Preservation of Privilege. Nothing contained in the Agreement or this Consent
22 Judgment, and no act required to be performed pursuant to the Agreement or this Consent
23 Judgment, is intended to constitute, cause, or effect any waiver (in whole or in part) of any
24 attorney-client privilege, work product protection, patient-safety work product protection, or
25 common interest/joint defense privilege, and each Party agrees that it shall not make or cause to
26 be made in any forum any assertion to the contrary.

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

5 20. Retention of Jurisdiction. The Court shall retain jurisdiction over the Parties for
6 the limited purpose of the resolution of disputes identified in Section VI.F.2 of the Agreement.
7 The Court shall have jurisdiction over Participating Subdivisions in the State for the limited
8 purposes identified in the Agreement.

9 21. Successors and Assigns. This Consent Judgment is binding on CVS's successors
10 and assigns.

11 22. Modification. This Consent Judgment shall not be modified (by the Court, by any
12 other court, or by any other means) without the consent of the State and CVS. Modification of
13 the Agreement shall be governed by Section XIII.W of the Agreement.

1 DATED this 21 day of November 2023.

2
3
4 JUDGE


Veronica Galván

5 APPROVED, AGREED TO AND PRESENTED BY:

6
7 ROBERT W. FERGUSON
Attorney General

FOX ROTHSCHILD LLP

8 *s/ Susan E. Llorens*

s/ James E. Breitenbucher

9 MARTHA RODRÍGUEZ LÓPEZ,
WSBA No. 35466

JAMES E. BREITENBUCHER,
WSBA No. 27670

10 KELSEY E. ENDRES, WSBA No. 39409

1001 Fourth Avenue, Suite 4400

11 JONATHAN J. GUSS, WSBA No. 57663

Seattle WA 98154

12 SUSAN E. LLORENS, WSBA No. 38049

Tel 206.624.3600

13 ALISON E. CORDOVA, WSBA No. 60525

Fax 206.389.1708

14 Assistant Attorneys General

jbreitenbucher@foxrothschild.com

15 Complex Litigation Division

16 800 Fifth Avenue, Suite 2000

Attorney for Defendants

17 Seattle, WA 98104

18 (206) 464-7744

19 martha.rodriguezlopez@atg.wa.gov

20 kelsey.endres@atg.wa.gov

21 jonathan.guss@atg.wa.gov

22 susan.llorens@atg.wa.gov

23 alison.cordova@atg.wa.gov

24 *Attorneys for Plaintiff State of Washington*