

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF SUFFOLK

At a 1st Term, Part 48 of the Supreme
Court of the State of New York, held in
and for the County of Suffolk at Central Islip
New York on the 1st day of Feb 2024

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THE PEOPLE OF THE STATE OF NEW YORK, :
by LETITIA JAMES, :
Attorney General of the State of New York, :

Plaintiff, :

v. :

CVS PHARMACY, INC; WALGREEN CO.; :
WALGREEN EASTERN CO; and :
WALMART, INC., :

Defendants. :
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Justice: Hon. Jerry Garguilo, JSC.

Index No.: 602838/2024

FINAL CONSENT JUDGMENT AND DISMISSAL WITH PREJUDICE

Plaintiff, the People of the State of New York ("New York" or "The State of New York"), through its attorney, Letitia James, Attorney General of the State of New York, and Walgreen Co. and Walgreen Eastern Co. ("*Walgreens*") (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 as of 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.

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

3. Walgreens denies the allegations against it and denies that it has any liability whatsoever to New York, its Subdivisions, and/or (a) any of New York'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, and other Special Districts in New York, 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. Walgreens 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 Walgreens 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.

6. Therefore, without any admission of liability or wrongdoing by Walgreens or any other Released Entities (as defined in the Agreement), and without this Consent Judgment constituting evidence against or admission by anyone with respect to any issue of fact or law, the Parties now mutually consent to the entry of this Consent 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 Walgreens and the State of New York, and adjudicated by the Court, as follows:

1. The foregoing Recitals are incorporated herein and constitute an express term of this Consent Judgment.
2. The Parties have entered into a full and final settlement of all Released Claims of Releasors (including but not limited to New York) against Walgreens and the Released Entities pursuant to the terms and conditions set forth in the Agreement. This Consent Judgment summarizes and gives effect to those terms. In the event of a conflict between the terms of the Agreement (including its exhibits) and language in this Consent Judgment, the terms of the Agreement shall govern. Nothing in this summary document shall have the effect of expanding, diminishing, explaining, or otherwise modifying any term of the Agreement.
3. The "Definitions" set forth in Section I of the Agreement are incorporated by reference into this Consent Judgment. New York is a "Settling State" within the meaning of the Agreement. Unless otherwise defined herein, capitalized terms in this Consent 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 Consent Judgment. This Consent Judgment shall not constitute and shall not be construed or used as a waiver of any jurisdictional defense Walgreens or any other Released Entity may raise in any other proceeding.

5. The Court finds that the Agreement was entered into in good faith and is in the public interest, and that entry of this Consent Judgment is in the public interest. By so ordering and entering this Consent Judgment, the Court hereby approves the Agreement.

6. New York's claims against Walgreens are hereby DISMISSED WITH PREJUDICE, subject to a retention of jurisdiction by the Court as provided herein and in the Agreement.

7. 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.

8. By this Consent Judgment, the Walgreens New York Payment Opioid Settlement Sharing Agreement, a copy of which is attached hereto as Exhibit B and as incorporated into the Agreement pursuant to Exhibit O of the Agreement, is hereby approved by the Court as the means by which relevant funds paid pursuant to the Agreement will be divided within New York, provided that any Subdivision receiving such funds executes a Subdivision Participation Agreement accepting the terms of the Agreement, including the releases provided therein.

9. 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 X.A and F of the Agreement, as follows:

- a. The Attorney General New York exercised the fullest extent of his or her powers to release Walgreens and all other Released Entities from all Released Claims pursuant to the release attached hereto as Exhibit C (the "*AG Release*").
- b. Walgreens has determined to proceed with the Agreement.
- c. The Subdivision Participation Agreement for each Participating Subdivision in New York that has joined to date has been made available to Walgreens. As stated in the Subdivision Participation Agreement, and for the avoidance of doubt, nothing in the Subdivision Participation Agreement 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 Subdivision Participation Agreement, to the extent the terms of the executed version of the

Subdivision Participation Agreement differ from the terms of the Agreement in any respect, the terms of the Agreement control.

- d. Pursuant to Section VIII.B of the Agreement and Paragraph 2 of the Subdivision Participation Agreement, each Litigating Subdivision in the State that has become a Participating Subdivision is dismissing with prejudice any Released Claims that it has filed against Walgreens or any of the Released Entities.

10. Release. The Parties acknowledge that the release provisions in Section X of the Agreement and the AG Release, which are incorporated by reference herein, are an integral part of this Consent Judgment. Pursuant to the Agreement and the AG Release and without limitation and to the maximum extent of the power of New York's Attorney General, Walgreens and the other Released Entities are, as of the Effective Date, hereby released from any and all Released Claims of (a) New York and its Participating Subdivisions and any of their departments, agencies, divisions, boards, commissions, Subdivisions, districts, instrumentalities of any kind and attorneys, including New York'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 New York, 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 New York or any Subdivision in New York, whether or not any of them participate in the Agreement. Pursuant to the Agreement and the AG Release and to the maximum extent of New York's power, Walgreens and the other Released Entities are, as of the Effective Date, hereby released from any and all Released Claims of (1) New York, (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 New York's past and present executive departments,

agencies, divisions, boards, commissions and instrumentalities that have the authority to bring Claims related to Alleged Harms seeking money (including abatement and/or remediation) or revocation or suspension of a pharmaceutical distribution or dispensing 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 New York's Governor. Further, the provisions set forth in Section X of the Agreement are incorporated by reference into this Consent 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 Consent Judgment, and shall govern the rights and obligations of all participants in the settlement, including without limitation New York, Walgreens and the Released Entities.

11. Release of Unknown Claims. New York (for itself and its Releasers) 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.

New York 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 New York (for itself and its Releasers) 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 New York 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 New York's decision to enter into the Agreement.

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

13. Barred Claims. Because the Agreement constitutes a "statewide opioid settlement agreement" under the New York Mental Hygiene Law Section 25.18(a)(8), New York and New York Subdivision government entities are: (1) barred from asserting future Released Claims against the Released Entities, and (2) any Released Claims filed after June 30, 2019 by a New York or New York Subdivision government entity are extinguished, pursuant to New York Mental Hygiene Law, Section 25.18(d) and the AG Release attached as Exhibit C. Costs and Fees. The Parties will bear their own costs and attorneys' fees except as otherwise provided in the Agreement.

14. No Admission of Liability. Walgreens is consenting to this Consent 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 Walgreens expressly denies. Neither Walgreens nor any other Released Entity admits that it caused or contributed to any public nuisance, and neither Walgreens nor any other Released Entity admits any wrongdoing that was or could have been alleged by New York, its Participating Subdivisions, or any other person or entity. No part of this Consent Judgment shall constitute evidence of any liability, fault, or wrongdoing by Walgreens 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.

15. No Waiver. This Consent 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 Consent Judgment shall not be construed or used as a waiver of Walgreens' 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 Consent Judgment. Notwithstanding the foregoing, New York may enforce the terms of this Consent Judgment as expressly provided in the Agreement.

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

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

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

19. 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.

20. Retention of Jurisdiction. The Court shall retain jurisdiction over 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 New York for the limited purposes identified in the Agreement.

21. Successors and Assigns. This Consent Judgment is binding on Walgreens' successors and assigns.

22. Modification. This Consent Judgment shall not be modified (by the Court, by any other court, or by any other means) without the consent of New York and Walgreens and without the approval of the Court. Modification of the Agreement shall be governed by Section XIII.W of the Agreement.

ORDERED this 1st day of February, 2024.

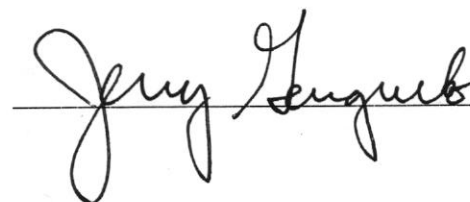
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GRANTED

FEB 01 2024

VINCENT PULEO
Clerk of Suffolk County

By Order:



APPROVED, AGREED TO AND PRESENTED BY:**LETITIA JAMES****Attorney General of the State of New York**By: DATE: 02/01/2024

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WALGREEN CO. & WALGREEN EASTERN CO.By: DATE: 2/1/24

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