

**SETTLEMENT AGREEMENT BETWEEN PLAINTIFF STATES AND SST  
CORPORATION**

This Settlement Agreement is made and entered into this 30<sup>th</sup> day of January, 2001, by and between the States and Commonwealths of Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming, through their respective Attorneys General, and the District of Columbia, through its Corporation Counsel, plus any other state that has elected or elects to join in the terms of this Settlement Agreement (hereinafter "SST Settlement Agreement"), through their respective Attorneys General ("Plaintiff States" as defined below), and SST Settling Defendant, through their undersigned counsel (collectively, the "Parties"). Any state electing to join in the terms of the SST Settlement Agreement shall do so by executing a signature page which shall be appended hereto.

WHEREAS, the Litigating Plaintiff States (as defined in Section I.I below) on December 21, 1998, as amended on February 8, 1999, and again on May 13, 1999, filed suit against SST Corporation and others in the United States District Court for the District of Columbia on their own behalf, on behalf of state agencies, and through their equitable or common law authority, or as representative of or *parens patriae* on behalf of natural person citizens of those states, alleging monopolization, attempted monopolization, and agreements in restraint of trade, in violation of

federal and state antitrust and unfair competition or consumer protection laws, and seeking injunctive relief, civil penalties, damages, divestment, disgorgement, restitution and other equitable relief;

WHEREAS, a Third Amended Complaint will be filed contemporaneously with this SST Settlement Agreement by the Plaintiff States in the United States District Court for the District of Columbia adding those states which have chosen to opt into this SST Settlement Agreement;

WHEREAS, the Parties have engaged in extensive analysis of the pertinent facts. The Litigating Plaintiff States have conducted an extensive investigation relating to the claims and underlying events and transactions alleged in the Plaintiff States' Complaint, as well as extensive legal research. As a result, the Litigating Plaintiff States are thoroughly familiar with the liability and damages aspects of the claims they have asserted in the the Plaintiff States' Complaint;

WHEREAS, over the course of the Parties' extensive arm's-length negotiations, the Litigating Plaintiff States have concluded that the proposed settlement embodied in this SST Settlement Agreement is fair, adequate and reasonable. Among the factors considered in that determination are the sharply contested legal and factual issues involved in the action and the risks and costs attendant upon further prosecution of the action;

WHEREAS, SST Settling Defendant, likewise recognizing the many sharply contested legal and factual issues involved and the risks and costs attendant upon further litigation of the claims in the action, and while continuing to deny the allegations, any violation of law or wrongdoing, and any liability with respect to any and all claims asserted in the Plaintiff States' Complaint, has concluded that it is desirable that all of the claims in the action which have, or could have, been asserted against SST Settling Defendant be compromised and settled;

WHEREAS, the Plaintiff States and SST Settling Defendant have determined it to be in their best interests to resolve this dispute and enter into this SST Settlement Agreement;

NOW, THEREFORE, WITNESSETH:

## **I. DEFINITIONS**

As used herein:

A. "Class" means the members of a class to be certified for settlement purposes only pursuant to this SST Settlement Agreement and Rule 23 of the Federal Rules of Civil Procedure, which shall include all natural person consumers within Plaintiff States where such a class action may be brought, not otherwise represented by the Plaintiff States as *parens patriae*, who purchased either or both of the Relevant Drugs during the Relevant Period.

B. "Consumer Distribution Plan" means the plan or method of allocation of the SST Consumer Fund, which shall be submitted to the Court for approval, and which is consistent with the Guidelines Governing Development of Consumer Distribution Plan, included as Attachment 6.

C. "Court" means the United States District Court for the District of Columbia.

D. "Effective Date" means the date on which this SST Settlement Agreement becomes effective. The Effective Date shall occur when all of the following conditions have been satisfied, unless one or more of such conditions is modified in a writing signed by State Liaison Counsel and SST Corporation:

1. Execution of this SST Settlement Agreement;
2. Entry by the Court of the Stipulated Permanent Injunction;
3. Entry by the Court of a Preliminary Approval Order substantially in conformance with the terms of this SST Settlement Agreement;

4. Expiration of the period within which consumers represented *parens patriae* and members of the proposed Class must exercise their rights to be excluded from *parens patriae* representation or from the Class;

5. Final approval by the Court of the SST Settlement Agreement embodied herein;

6. Entry by the Court of the Final Judgment and Order substantially in conformity with the terms of the SST Settlement Agreement;

7. The Final Judgment and Order shall become final, which shall be deemed to occur upon the expiration of the tenth day after the applicable time for appeals of the Final Judgment and Order (whether as of right or upon showing of excusable neglect or good cause) without any appeal having been taken, or, if an appeal is taken, upon the expiration of the tenth day after the Final Judgment and Order is affirmed by the appellate court with no possibility of subsequent appeal or judicial review thereof. For purposes of this Subsection, an "appeal" shall include any Petition for a writ of certiorari that may be filed in connection with the approval or disapproval of this SST Settlement Agreement; and

8. As of the time the conditions contained in Subsections I.D.1. through I.D.7. above are satisfied, the right to terminate and withdraw from this SST Settlement Agreement granted pursuant to Sections VIII and IX below shall not have been exercised by any of the Parties.

E. "Escrow Agent" means the person or entity chosen by the Plaintiff States and designated pursuant to the Escrow Agreement to administer the Consumer Fund and State Fund pursuant to the terms of the Mylan Settlement Agreement, and the SST Consumer Fund and SST State Fund pursuant to the terms of the SST Settlement Agreement.

F. "Escrow Agreement" means the escrow agreement, substantially in the form of Attachment 1 hereto.

G. "Final Judgment and Order" means the Court's final, appealable order, substantially in the form of Attachment 2 hereto.

H. "Government Compensation Plan" means the plan or method of allocation of the SST State Fund, which shall be submitted to the Court, and which is consistent with the Guidelines Governing Development of Government Compensation Plan, included as Attachment 5.

I. "Litigating Plaintiff States" means the 33 Plaintiff States that participated in the litigation and negotiation of the settlement of this lawsuit: Alaska, Arkansas, California, Colorado, Connecticut, District of Columbia, Florida, Idaho, Illinois, Iowa, Kentucky, Louisiana, Maine, Maryland, Michigan, Minnesota, Missouri, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Washington, West Virginia, and Wisconsin.<sup>1</sup>

J. "Mylan Settlement Agreement" means the settlement agreement entered into by and among the Plaintiff States, the Federal Trade Commission, and Mylan Laboratories, Inc., Gyma Laboratories of America, Inc., Profarmaco S.r.l., and Cambrex Corporation.

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<sup>1</sup> For purposes of the litigation and this settlement, the definition of "Litigating Plaintiff States" or "Plaintiff States" does not include the University of California. It is stipulated by the Parties that the California Attorney General has not represented the interests of the University of California in the litigation or the settlement thereof, and the University of California has not been participating in this action.

K. "Notice" means the notice or notices of this SST Settlement Agreement and hearing thereof that are to be published and/or mailed to members of the Settlement Group pursuant to Section VI.

L. "Notice Plan" means the Court-approved process by which the Plaintiff States will effectuate the Notice.

M. "Person" means any natural person, partnership, corporation, or business entity.

N. "Plaintiff States" means the Litigating Plaintiff States and any State which is or which becomes a party to this SST Settlement Agreement, as provided in Section VIII. hereof, through the State's Attorney General, individually and as authorized by law, in the State's sovereign capacity, on behalf of state agencies, in a statutory, equitable and/or common law capacity, and as representative of and/or *parens patriae* on behalf of all natural person citizens of such state who have purchased either or both of the Relevant Drugs during the Relevant Period.

O. "Plaintiff States' Complaint" means the complaint filed by the Litigating Plaintiff States on December 21, 1998, as amended on February 8, 1999 and again on May 13, 1999 and the Third Amended Complaint filed herewith by the Plaintiff States.

P. "Preliminary Approval Order" means the Court's order preliminarily approving this SST Settlement Agreement and establishing a schedule for Notice and further proceedings, as set forth in Section VI below, and substantially in the form of Attachment 3 hereto.

Q. "Related Actions" means the actions entitled: *United Wisconsin Services, Inc. et al. v. Mylan Laboratories, Inc., et al.*, No 1:99-CV-1082 (D.D.C.)(the "United Wisconsin Action"), *Arkansas Carpenters Health and Welfare Fund, et al., v. Mylan Laboratories, Inc., et al.*, (D.D.C.)(the "Arkansas Carpenters Action"), *Advocate Health Care, et al. v. Mylan Laboratories,*

*Inc., et al.*, Case No. 1:99-CV-00790, consolidated with Case No. 99 C2228 (the “*Advocate Action*”), each of which has been consolidated for pretrial proceedings in *In re Lorazepam and Clorazepate Antitrust Litigation*, Case No. MDL 1290, in the United States District Court for the District of Columbia, and *Generic Drug Antitrust Cases: Mylan Generic Drug Antitrust Pharmacy*, Judicial Counsel Coordination Proceeding No. 4075, in the Superior Court of the State of California for the County of San Francisco (“the “*Galloway Action*”).

R. “Released Claims” means all claims, counterclaims, set-offs, demands, actions, rights, liabilities, and causes of action arising under federal or state antitrust, unfair methods of competition, or consumer protection laws, under state or federal unfair or deceptive trade practices acts, or under common law, asserted or that could have been asserted by Settling Members of the Settlement Group, or by the Plaintiff States on behalf of state agencies and/or natural person consumers within the Plaintiff States against SST Settling Defendant arising from the facts, matters, transactions, events, occurrences, acts, disclosures, statements, omissions, or failures to act set forth or alleged in the Plaintiff States’ Complaint.

S. “Relevant Drugs” means generic lorazepam or clorazepate sold in the United States.

T. “Relevant Period” means the period from January 1, 1998 to December 31, 1999.

U. “Settlement Group” means all natural person consumers represented by Attorneys General for the Plaintiff States, individually and as authorized by law in a statutory, equitable and/or common law capacity, as *parens patriae* and/or as representatives of the Class.

V. “Settling Members of the Settlement Group” means each and every member of the Settlement Group who does not exercise his or her right to exclude himself or herself from the

Settlement Group pursuant to a proper written request for exclusion postmarked on or before the date to be set by the Court.

W. “SST” or “SST Corporation” means SST Corporation, a New Jersey corporation with its principal place of business in Clifton, New Jersey.

X. “SST Agency Account” means a separate account established within the SST State Fund which will be funded by SST as set forth in Section III.A below.

Y. “SST Consumer Fund” means an interest-bearing escrow account established pursuant to the Escrow Agreement and administered by the Escrow Agent. The principal of the SST Consumer Fund shall be funded as set forth in Section III.A below.

Z. “SST Settling Defendant” means SST Corporation and any and all of its affiliates, subsidiaries, divisions and other organizational units of any kind, their successors and assigns, and the former, current and future officers, directors, employees, agents, attorneys, representatives, partners and shareholders of each of the foregoing, and other persons acting on their behalf.

AA. “SST Cost and Fee Account” means a separate account established within the SST State Fund which will be funded by SST as set forth in Section III.A. and III.B. below.

BB. “SST State Fund” means an interest-bearing escrow account established pursuant to the Escrow Agreement and administered by the Escrow Agent. The principal of the SST State Fund shall be funded as set forth in Section III.A. below, and shall be segregated into an SST Agency Account and an SST Cost and Fee Account.

CC. “State Liaison Counsel” or “Liaison Counsel for Plaintiff States” means the Attorney General of the State of Ohio.

DD. “Stipulated Permanent Injunction” means the injunction between the Federal Trade



Commission and Mylan Laboratories, Inc., Gyma Laboratories of America, Inc., Profarmaco S.r.l., and Cambrex Corporation, in the action entitled *Federal Trade Commission v. Mylan, et al.*, approved by the Federal Trade Commission on November 29, 2000, and in the form of Attachment 4 to the Mylan Settlement Agreement.

## **II. AGREEMENT**

Subject to the approval of the Court, the Parties agree to compromise, settle and resolve fully and finally on the terms set forth herein, all Released Claims.

## **III. MONETARY PAYMENT**

A. Concurrently with this Settlement, SST has agreed to proposed settlements with the plaintiffs and proposed classes in the Related Actions. In full settlement and compromise of all claims brought against SST in this Action and the Related Actions, and in exchange for the release of all Released Claims, and subject to the terms and conditions of this SST Settlement Agreement, execution of the proposed settlement agreements in each of the Related Actions, and the terms and conditions thereof, SST has agreed to pay a total of two million dollars (\$2,000,000.00). If all of the proposed settlements are executed, finally approved, and become effective, SST's two million dollar payment will be allocated among the settlements as follows: (i) \$500,000 will go to the Settlement in this Action; (ii) \$400,000 will go to the settlements in the *United Wisconsin* and *Arkansas Carpenters* Actions; (iii) \$500,000 will go to the settlement in the *Advocate* Action; (iv) \$100,000 will go to the settlement in the *Galloway* Action; and (v) the remaining \$500,000 will be divided among the settlements as follows: (1) up to \$250,000 will be designated to cover the notice costs of the settlement in the *Advocate* Action; (2) the balance of the remaining \$500,000 (after deducting the *Advocate* notice costs of up to \$250,000) will be divided into three equal parts, with one-third

going to the settlement funds in this Action, one-third going to the settlement fund in the *Advocate* Action, and one-third going to the settlement funds in the *Galloway* Action, the *United Wisconsin* Action, and the *Arkansas Carpenters* Action (together, the “Indirect Purchaser Actions”).

If the proposed settlement in the *Advocate* Action is not executed, is terminated, or does not become effective for any reason and all other settlements, including this one, become effective, SST’s total payment shall be one million dollars (\$1,000,000) and the total amount of that one million dollars allocated to this settlement shall be five hundred thousand dollars (\$500,000). If the settlement in any of the Indirect Purchaser Actions is also terminated or does not become effective for any reason, SST’s total payment will be reduced accordingly, and the amount allocated to this settlement shall remain \$500,000.

B. In accordance with Section III.A. above, SST shall pay \$500,000 to the Plaintiff States within 20 business days after the preliminary approval of this SST Settlement Agreement. This amount shall be paid in three separate wire transfers, as set forth below, c/o the Escrow Agent appointed pursuant to Section IV of this Agreement. Of the \$500,000.00, \$108,750.00 shall be paid into the SST Agency Account of the SST State Fund, \$266,250.00 shall be paid into the SST Consumer Fund, and \$125,000.00 shall be paid into the SST Cost and Fee Account.

C. If SST’s proposed settlement in the *Advocate* Action is executed and becomes effective, the escrow agent appointed in connection with that settlement shall transfer SST’s additional payment to the Plaintiff States (as set forth above) to the SST Cost and Fee Account within 20 business days after the settlement in the *Advocate* Action becomes effective, unless, prior to that time, this SST Settlement Agreement shall have been terminated, cancelled or voided or the Effective Date does not occur.

D. The payments made by SST Corporation pursuant to Sections III.A., III.B., and Section III.C. are not, and shall not be considered, the payment of a penalty or fine under any state or federal laws rules or regulations or any other applicable statute or provision.

E. Plaintiff States, on behalf of state agencies and Settling Members of the Settlement Group, agree to release the Released Claims in exchange for the monetary provisions contained in this SST Settlement Agreement. Upon the Effective Date, Plaintiff States and Settling Members of the Settlement Group shall be deemed to have released and forever discharged SST Settling Defendant from all liability for the Released Claims.

F. SST Corporation warrants that, as of the date of this SST Settlement Agreement, it is not insolvent, nor will any payment to the SST Consumer Fund or the SST State Fund render it insolvent, within the meaning of and/or for the purposes of the United States Bankruptcy Code. If a case is commenced with respect to SST Corporation under Title 11 of the United States Code (Bankruptcy), or a trustee, receiver or conservator is appointed under any similar law, and in the event of the entry of a final order of a court of competent jurisdiction determining the payment of the principal amount of the SST Consumer Fund or SST State Fund, and any accrued interest, or any portion thereof, by or on behalf of SST Corporation to be a preference, voidable transfer, fraudulent transfer or similar transaction, and if pursuant to an order of a court of competent jurisdiction monies paid by SST Corporation into the SST Consumer Fund or the SST State Fund pursuant to this SST Settlement Agreement are either not delivered or are returned to SST Corporation or the trustee, receiver, or conservator appointed by a court in any bankruptcy proceeding with respect to SST Corporation, then this SST Settlement Agreement shall be terminated and cancelled as set forth in Section IX herein.

G. Plaintiff States and Settling Members of the Settlement Group shall also be deemed to have expressly waived any rights or benefits, if available, under Section 1542 of the California Civil Code, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him, must have materially affected his settlement with the debtor.

Settling Members of the Settlement Group shall be advised of the statutory language of California Civil Code Section 1542 in the Notice and, with this understanding, nevertheless shall elect to and shall assume all risks for claims heretofore and hereafter arising, whether known or unknown, from the subject of the Released Claims, and specifically waive any rights they may have under California Civil Code Section 1542. Settling Members of the Settlement Group shall also be fully advised that if the facts with respect to which the Released Claims are given and the dismissal with prejudice contained in the Final Judgment and Order are found hereafter to be other than, or different from, the facts now believed by them to be true, they shall expressly accept and assume the risk of such possible differences and facts, and shall agree that the release shall be and remain effective notwithstanding such differences in facts.

H. The Parties agree that the decision by the Court regarding the amounts to be deposited into the SST Cost and Fee Account and the disbursement thereof under the Guidelines Governing Payment of Attorneys' Fees and Litigation Costs (Attachment 4 hereto) shall be severable from this SST Settlement Agreement, and that regardless of such decision, Plaintiff States will not object to or oppose approval of the remainder of the SST Settlement Agreement by the Court, or otherwise delay or affect approval of the settlement, or entry of the Final Judgment and Order. SST Settling Defendant agrees not to oppose the approval of the States' costs and attorneys' fees and the

disbursement thereof under the Guidelines Governing Payment of Attorneys Fees and Litigation Costs.

#### **IV. SETTLEMENT ADMINISTRATION**

A. The Escrow Agent for the SST Consumer Fund and SST State Fund (collectively, the "SST Settlement Accounts") shall be determined by the Plaintiff States. The Escrow Agent shall invest the SST Settlement Accounts in obligations of, or obligations guaranteed by, the United States of America or any of its departments or agencies, or in pre-refunded or escrowed municipal bonds which are federally insured to obtain the highest available return on investment, and shall reinvest the proceeds of these instruments as they mature in similar instruments at their then current market rates. The Escrow Agent shall bear all risks related to the investment of the escrow funds.

B. The SST Settlement Accounts shall be administered pursuant to the Consumer Distribution Plan, the Government Compensation Plan, the Escrow Agreement, this SST Settlement Agreement, and any order of the Court, as applicable.

C. All funds held in the SST Settlement Accounts shall be deemed to be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such SST Settlement Accounts are fully distributed, or upon further order(s) of the Court.

#### **D. Tax Treatment of Settlement Accounts**

1. The SST Settlement Accounts shall be treated as being at all times "qualified settlement funds" within the meaning of Treas. Reg. 1.468B-1. The Escrow Agent, and as required, the Parties, shall timely make such elections as necessary or advisable to carry out the provisions of this Section IV.D., including the "relation-back election" (as defined in Treas. Reg. 1.468B-1), back to the earliest permitted date. Such elections shall be made in compliance with the procedures and

requirements contained in such regulation. It shall be the responsibility of the Escrow Agent to timely and properly prepare and deliver the necessary documentation for signature by all necessary parties, and thereafter to cause the appropriate filing to occur.

2. For the purpose of Treas. Reg. 1.468B of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the "administrator" shall be the Escrow Agent. The Escrow Agent shall timely and properly file all informational and other tax returns necessary or advisable with respect to the SST Settlement Accounts (including, without limitation, the returns described in Treas. Reg. 1.468B-2(K and L)). Such returns (as well as the election described in Section IV.D.1.) shall be consistent with this Section IV.D and in all events shall reflect that all taxes (including any estimated taxes, interest or penalties) on the income earned by the SST Settlement Accounts shall be paid out of the appropriate SST Settlement Account as provided in Section IV.D.3 herein.

3. All (i) taxes (including any estimated taxes, interest or penalties) arising with respect to the income earned by the SST Settlement Accounts, including any taxes or tax detriments that may be imposed upon SST Settling Defendant with respect to any income earned by an SST Settlement Accounts for any period during which such SST Settlement Account does not qualify as a "qualified settlement fund" for federal or state income tax purposes ("Taxes"), and (ii) expenses and costs incurred in connection with the operation and implementation of this Section IV.D (including, without limitation, expenses of tax attorneys and/or accountants and mailing and distribution costs and expenses relating to filing (or failing to file) the returns described in this Section IV.D) ("Tax Expenses"), shall be paid out of the affected SST Settlement Accounts.

4. Taxes and Tax Expenses shall be treated as, and considered to be, a cost of administration of the SST Settlement Agreement and shall be timely paid by the Escrow Agent out of the appropriate SST Settlement Account with respect to which such Taxes and/or Tax Expenses have accrued, without prior order from the Court. The Escrow Agent shall be obligated (notwithstanding anything herein to the contrary) to withhold from distribution out of the appropriate SST Settlement Account any funds necessary to pay such amounts including the establishment for adequate reserves for any Taxes and Tax Expenses (as well as any amounts that may be required to be withheld under Treas. Reg. 1.468B-2(1), (2)).

5. The Parties agree to cooperate with the Escrow Agent, each other, and their tax attorneys and accountants to the extent reasonably necessary to carry out the provisions of this Section IV.D. For purposes of this Section IV.D, references to a SST Settlement Account shall include such SST Settlement Account and any earnings thereon.

E. SST Settling Defendant will have no responsibility or liability for any distributions of the SST Settlement Accounts or interest earned thereon, or any reporting requirements that may relate thereto, and no person shall have any claim against any of the Parties, their respective counsel, the Escrow Agent or any agent designated by the Escrow Agent based on the distributions made substantially in accordance with this SST Settlement Agreement and any orders of the Court.

## **V. SETTLEMENT DISBURSEMENTS**

### **A. Disbursement of Attorneys' Fees and Litigation Costs:**

The Escrow Agent shall disburse the SST Cost and Fee Account in accordance with the Court's Final Judgment and Order. Guidelines Governing Payment of Attorneys' Fees and Litigation Costs are included as Attachment 4 to this SST Settlement Agreement.

B. Distribution to State Agencies: The Escrow Agent shall distribute all funds in the SST Agency Account according to the Government Compensation Plan. The Government Compensation Plan shall be consistent with the Guidelines Governing Development of Government Compensation Plan, included as Attachment 5 to this SST Settlement Agreement.

C. Distribution to Consumers: The Escrow Agent and/or a claims administrator employed by the Plaintiff States shall distribute and/or administer the distribution of all funds remaining in the SST Consumer Fund after payment of any tax obligations according to the Court-approved Consumer Distribution Plan. The Consumer Distribution Plan shall be consistent with the Guidelines Governing Development of Consumer Distribution Plan, included as Attachment 6 to this SST Settlement Agreement.

D. Disbursement of Administrative Costs: The Escrow Agent shall pay from the SST Consumer Fund and the SST Agency Account only those costs and expenses incurred in connection with the payment of taxes and tax expenses.

E. Timing of Disbursements:

1. The Escrow Agent shall distribute the SST Cost and Fee Account and the SST Agency Account within thirty (30) days of the Effective Date.

2. The Escrow Agent shall, in conjunction with the claims administrator, begin distributing the SST Consumer Fund within thirty (30) days of the Effective Date and shall



continue with such distributions according to the terms of the Court-approved Consumer Distribution Plan until the SST Consumer Fund is fully distributed.

3. No monies shall be distributed from any of the SST accounts prior to the Effective Date except for the payment of taxes and tax expenses.

## **VI. NOTICE AND SETTLEMENT HEARING**

A. Within ninety (90) days after execution of this SST Settlement Agreement, Liaison Counsel for Plaintiff States shall file with the Court a motion for Preliminary Approval of the SST Settlement Agreement. This motion shall include this SST Settlement Agreement and attachments, a proposed Notice Plan, and the Plaintiff States' Consumer Distribution Plan and Government Compensation Plan and the Preliminary Approval Order. The Preliminary Approval Order shall be substantially in the form of Attachment 3. At least fifteen (15) business days prior to filing their motion requesting entry of the Preliminary Approval Order, the Liaison Counsel for Plaintiff States shall provide a draft copy of such motion (including all exhibits and attachments of such motion) to SST Corporation for review and comment.

B. Within ninety (90) days after entry by the Court of the Preliminary Approval Order, Liaison Counsel for Plaintiff States shall effectuate the Notice Plan.

C. The Parties contemplate a notice period of ninety (90) to one hundred twenty (120) days, or such other time period as set by the Court ("Notice Period"). Within ninety (90) days following the conclusion of the Notice Period, Liaison Counsel for Plaintiff States shall file with the Court a motion seeking final approval of the Final Judgment and Order. The Final Judgment and Order shall be substantially in the form of Attachment 2. At least five (5) business days before the filing of the Motion for Final Approval, the Liaison Counsel for the Plaintiff States shall provide a

draft copy of such motion (including all exhibits and attachments of such motion) to SST Corporation for review and comment. Counsel for all of the Parties shall use all reasonable efforts to obtain the entry of the Final Judgment and Order.

## **VII. COOPERATION AND IMPLEMENTATION**

A. The Parties, and their respective counsel, agree to use all reasonable practicable efforts and to take all steps reasonably necessary to effectuate this SST Settlement Agreement.

B. The Parties agree that all discovery relating to the Released Claims is stayed and that such discovery may resume only upon agreement by the Parties or by order of the Court.

## **VIII. BENEFIT AND BINDING EFFECT**

A. The terms of this SST Settlement Agreement shall be binding on, and shall inure to the benefit of the Parties and their successors and assigns. The Parties expressly disclaim any intention to create rights under this SST Settlement Agreement which may be enforced by any other person under any circumstances whatsoever, except as provided in this SST Settlement Agreement.

B. The terms of this SST Settlement Agreement may be entered into by the Attorney General of any state who takes the following actions within 30 days of the execution of this SST Settlement Agreement:

1. Signs an opt-in agreement and signature page which will be appended onto the body of the SST Settlement Agreement which will be filed with the Court; and
2. Designates the Liaison Counsel for Plaintiff States to represent such state and agrees to be named as a plaintiff in the Plaintiff States' Third Amended Complaint.

C. If twenty-five thousand (25,000) or more members of the Settlement Group nationwide, or five thousand (5,000) or more within any Plaintiff State exercise their right to opt out

of the settlement between Plaintiff States and SST, SST shall have the right, but not the obligation, to terminate and withdraw from the SST Settlement Agreement. SST's right to withdraw hereunder must be exercised no later than 30 business days following the deadline for submission of requests for exclusion set by the Court. SST shall exercise any such right by notifying the Court and State Liason Counsel in writing at least 5 business days prior to such right being exercised.

#### **IX. EFFECT OF TERMINATION OR DISAPPROVAL**

A. If this SST Settlement Agreement is not approved or is terminated, cancelled, voided or the Effective Date does not occur for any reason, all monies paid into the SST Consumer Fund and the SST State Fund, and any interest accrued thereon, shall be refunded to SST Corporation. Refund to SST Corporation shall occur within thirty (30) days of the disapproval, cancellation, termination, voiding or the Effective Date not occurring. In such event, this SST Settlement Agreement shall become null and void, shall have no further force and effect, and the Plaintiff States shall retain full rights to assert any and all causes of action against SST Settling Defendant, and SST Settling Defendant shall retain any and all defenses thereto. These actions shall thereupon revert forthwith to their respective procedural and substantive status prior to the date of execution hereof and shall proceed as if this SST Settlement Agreement, and all other related orders and papers, had not been executed, and the Parties shall jointly request that any order contemplated hereby which shall have been entered be vacated. Notwithstanding the foregoing, the provisions of Section X.I. shall survive the termination of this SST Settlement Agreement for any reason.

B. If the Court does not enter the orders or judgments contemplated by this SST Settlement Agreement in substantially the form provided herein, or if the Court enters the orders or judgments and appellate review is sought, and on such review any such order or judgment is

materially modified, then this SST Settlement Agreement shall be cancelled and terminated, subject to the provisions of this SST Settlement Agreement, unless all Parties to this SST Settlement Agreement, within thirty (30) days from the date of the mailing of such ruling to such Parties, provide written notice to all other Parties hereto of their intent to proceed with the SST Settlement Agreement.

## **X. MISCELLANEOUS**

A. This SST Settlement Agreement and the Attachments contain the entire agreement and understanding of the Parties. There are no additional promises or terms of the SST Settlement Agreement other than those contained herein.

B. The terms or provisions of this SST Settlement Agreement may not be changed, waived, modified, or varied in any manner whatsoever unless in a writing duly signed by all Parties with the consent of the Court. Any failure by any party to insist upon the strict performance by any other party of any of the provisions of this SST Settlement Agreement shall not be deemed a waiver of any of the provisions hereof, and that party, notwithstanding that failure, shall have the right thereafter to insist upon the strict performance of any and all of the provisions of this SST Settlement Agreement to be performed by the other party.

C. The undersigned counsel for each of the Parties hereby represents that he or she is authorized to enter into this SST Settlement Agreement on behalf of that Party.

D. The SST Settlement Agreement shall be deemed to have been mutually prepared by the Parties hereto and shall not be construed against any of them solely by reason of authorship.

E. The captions contained in this SST Settlement Agreement are inserted only as a

matter of convenience and in no way define, limit, extend, or describe the scope of this SST Agreement or the intent of any provision hereof.

F. The SST Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument. A complete set of original executed counterparts shall be filed with the Court.

G. Any and all notices, requests, consents, directives, or communications by any party intended for any other party shall be in writing and shall, unless expressly provided otherwise herein, be given personally, by express courier, or by postage prepaid mail, or by facsimile transmission followed by postage prepaid mail, and shall be addressed as follows:

To Plaintiff States or the Class:

Chief, Antitrust Section  
Office of the Attorney General  
140 East Town Street, 12th Floor  
Columbus, OH 43215  
Facsimile: (614) 995-0266

To SST Corporation:

Paul, Weiss, Rifkind, Wharton & Garrison  
Sidney S. Rosdeitcher  
1285 Avenue of the Americas  
New York, NY 10019  
Facsimile: (212) 373-2795

Any one of the Parties may, from time to time, change the address to which such notices, requests, consents, directives, or communications are to be delivered, by giving the other Parties prior written notice of the changed address, in the manner herein above provided, ten (10) calendar days before the change is effective.

H. This SST Settlement Agreement, including, but not limited to, the releases contained herein, shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to its conflict of laws principles. The parties to this settlement agree that the Final Judgment and Order shall provide that the Court shall retain jurisdiction to enforce all provisions and terms of this SST Settlement Agreement. This SST Settlement Agreement shall be enforced in the United States District Court for the District of Columbia. The Parties, on behalf of themselves and the Settling Members of the Settlement Group, waive any objection that each of them may now have or hereafter have to the venue of any such suit, action or proceeding and irrevocably consent to the jurisdiction of the Court and agree to accept and acknowledge service in any such suit, action or proceeding.

I. Neither this SST Settlement Agreement nor any proceedings undertaken in accordance with the terms set forth herein, shall be construed as or deemed to be evidence or an admission or concession by SST Settling Defendant as to the validity of any claim that has been or could have been asserted against it or as to any liability by it, which liability is hereby expressly denied and disclaimed by SST Settling Defendant. Neither this SST Settlement Agreement, nor any of its provisions, nor any statement or document made or filed in connection herewith, shall be filed, offered, received in evidence or otherwise used in any action or proceeding or in any arbitration, except in connection with the Parties' application for approval or enforcement of this SST Settlement Agreement and all proceedings incident thereto, including requests for attorneys' fees, costs and disbursements and compensation to Litigating Plaintiff States.

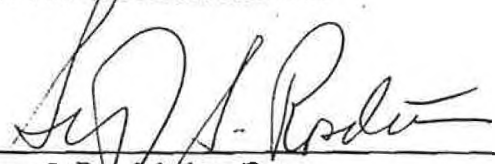
J. Within thirty (30) days after the Effective Date, the Plaintiff States shall return all materials and documents produced in these actions by any party or non-party to the person or entity

that produced those documents or, upon written request by that person or entity, shall have those documents destroyed. In the event that documents are destroyed, the Plaintiff States shall provide prompt notice to the person or entity that produced those documents, certifying their destruction.

In the event that the Plaintiff States are requested by subpoena or other legal process to provide such information to any person, they shall immediately inform SST Settling Defendant of the subpoena or legal process, shall decline to waive any such privileges and objections to disclose as may exist, and shall reasonably cooperate with SST who shall have the right and responsibility to challenge such subpoena or legal process. The obligations of the Plaintiff States are governed by the Court's Protective Order entered March 16, 1999.

K. Notwithstanding Section X.I. above, this SST Settlement Agreement may be pleaded as a full and complete defense to any action, suit or other proceeding that may be instituted, prosecuted or attempted with respect to any of the Released Claims. The Parties agree that for any such proceeding, the Court or any court of competent jurisdiction may enter an injunction restraining prosecution of such proceeding. The Parties further agree that this SST Settlement Agreement may be pleaded as necessary for the purpose of enforcing the SST Settlement Agreement.

**FOR SST CORPORATION**

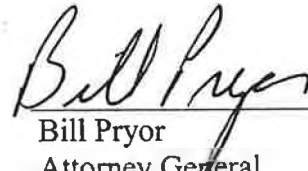


---

Sidney S. Rosdeitcher, Esq.  
Paul, Weiss, Rifkind, Wharton & Garrison  
1285 Avenue of the Americas  
New York, NY 10019-6064  
Counsel for SST Corporation

Settlement agreement(SSTFinal).doc

Settlement Agreement between Plaintiff States and SST Corporation.

A handwritten signature in black ink, appearing to read "Bill Pryor", is written over a horizontal line.

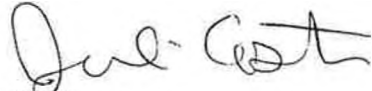
Bill Pryor  
Attorney General  
State of Alabama  
11 South Union Street  
Alabama Statehouse  
Montgomery, Alabama 36104  
(334) 242-7310



Settlement Agreement between Plaintiff States and SST Corporation.

ATTORNEY GENERAL BRUCE M. BOTELHO  
ATTORNEY GENERAL OF ALASKA

By:

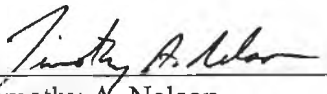
A handwritten signature in dark ink, appearing to read "Julia Coster", written over a horizontal line.

Julia Coster

Assistant Attorney General  
1031 W. 4<sup>th</sup> Avenue, Suite 200  
Anchorage, AK 99501  
(907) 269-5100

Settlement Agreement between Plaintiff States and SST Corporation.

ATTORNEY GENERAL JANET NAPOLITANO  
ATTORNEY GENERAL OF ARIZONA

By:   
Timothy A. Nelson  
Special Counsel and Antitrust Unit Chief  
1275 West Washington  
Phoenix, Arizona 85007-2926  
Telephone: (602) 542-7752

Settlement Agreement between Plaintiff States and SST Corporation.

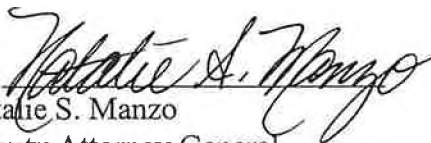
ATTORNEY GENERAL MARK PRYOR  
ATTORNEY GENERAL OF ARKANSAS

By: 

Teresa Brown  
Senior Assistant Attorney General  
323 Center St., Ste. 200  
Little Rock, Arkansas 72201  
(501) 682-3561


Settlement Agreement between Plaintiff States and SST Corporation.

ATTORNEY GENERAL BILL LOCKYER  
ATTORNEY GENERAL OF CALIFORNIA

By:   
Natalie S. Manzo  
Deputy Attorney General  
Office of the Attorney General  
300 S. Spring St., Ste. 5000N  
Los Angeles, CA 90013  
(213)897-2707

Settlement Agreement between Plaintiff States and SST Corporation.

ATTORNEY GENERAL KEN SALAZAR  
ATTORNEY GENERAL OF COLORADO


By: 

MARIA BERKENKOTTER  
First Assistant Attorney General  
Antitrust Unit  
(303) 866-5079

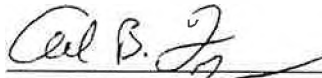
Settlement Agreement between Plaintiff States and SST Corporation.

ATTORNEY GENERAL RICHARD BLUMENTHAL  
ATTORNEY GENERAL OF CONNECTICUT

BY:



Steven M. Rutstein  
Antitrust Department Head  
Assistant Attorney General

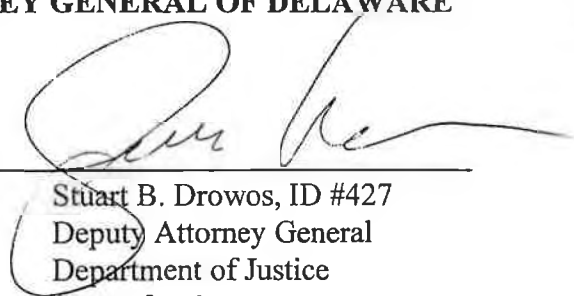


Arnold B. Feigin  
Assistant Attorney General  
110 Sherman Street  
Hartford, CT 06105  
Tel: (860) 808-5540

Settlement Agreement among Plaintiff States and SST Corporation.

**ATTORNEY GENERAL M. JANE BRADY**  
**ATTORNEY GENERAL OF DELAWARE**

By: \_\_\_\_\_

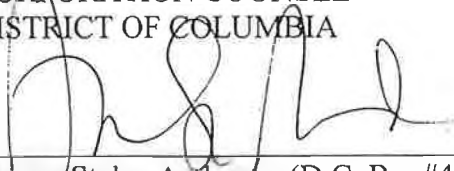
A handwritten signature in dark ink, appearing to read "Stuart B. Drowos", is written over a horizontal line.


Stuart B. Drowos, ID #427  
Deputy Attorney General  
Department of Justice  
State of Delaware  
820 North French Street, 6th Floor  
Wilmington, Delaware 19801  
(302) 577-8400  
Of Counsel

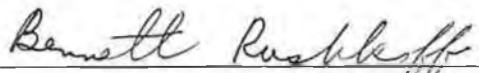
Settlement Agreement between Plaintiff States and SST Corporation.

ROBERT R. RIGSBY  
CORPORATION COUNSEL  
DISTRICT OF COLUMBIA

By:

  
Sharon Styles-Anderson (D.C. Bar #412158)  
Senior Deputy Corporation Counsel for  
Public Protection and Enforcement

  
Charlotte W. Parker (D.C. Bar #186205)  
Acting Deputy Corporation Counsel  
Civil Division

  
Bennett Rushkoff (D.C. Bar #386925)  
Senior Counsel  
Office of the Corporation Counsel  
441 4th Street, N.W., Suite 450-N  
Washington, DC 20001  
202-727-3500

Attorneys for the District of Columbia



Settlement Agreement between Plaintiff States and SST Corporation.

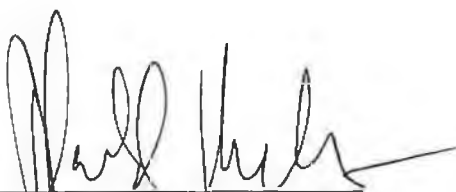
ROBERT A. BUTTERWORTH  
ATTORNEY GENERAL OF FLORIDA

By: 

RICHARD E. DORAN  
Deputy Attorney General  
PATRICIA A. CONNERS  
Chief, Antitrust Section  
Office of the Attorney General  
State of Florida  
PL-01, The Capitol  
Tallahassee, Florida 32399-1050  
(850) 414-3600

Settlement Agreement between Plaintiff States and SST Corporation.

ATTORNEY GENERAL THURBERT E. BAKER  
ATTORNEY GENERAL OF GEORGIA

By: 

Name: Harold D. Melton

Title: Senior Assistant Attorney General

Address: 40 Capitol Square, S.W.  
Atlanta, Georgia 30334

Phone: (404) 656-3337

Settlement Agreement between Plaintiff States and SST Corporation.

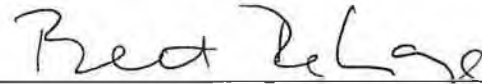
ATTORNEY GENERAL EARL I. ANZAI  
ATTORNEY GENERAL OF HAWAII

By: 

Name Earl I. Anzai  
Title Attorney General of Hawaii  
Address 425 Queen Street  
Honolulu, Hawaii 96813  
Phone: (808) 586-1500

Settlement Agreement between Plaintiff States and SST Corporation

ALAN G. LANCE  
ATTORNEY GENERAL  
STATE OF IDAHO

A handwritten signature in dark ink, appearing to read "Brett DeLange", is written over a horizontal line.

BRETT T. DeLANGE (ISB No. 3628)

Deputy Attorney General  
Consumer Protection Unit  
Office of the Attorney General  
Len B. Jordan Building  
650 W. State St., Lower Level  
P. O. Box 83720  
Boise, Idaho 83720-0010  
Telephone: (208) 334-2424  
FAX: (208) 334-2830  
bdelange@ag.state.id.us


Settlement Agreement between Plaintiff States and SST Corporation.

ATTORNEY GENERAL JIM RYAN  
ATTORNEY GENERAL OF THE STATE OF ILLINOIS

By: Christine H. Rosso

Christine H. Rosso  
Chief, Public Interest Division  
100 W. Randolph Street, 13<sup>th</sup> Floor  
Chicago, Illinois 60601  
312-814-5610

Settlement agreement between plaintiff states and SST Corporation.

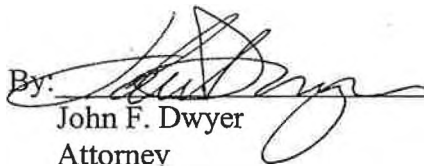
A handwritten signature in cursive script, reading "Stephen Carter", is positioned above a horizontal line.

Stephen Carter  
Attorney General of Indiana

and SST Corporation.

Settlement Agreement between Plaintiff States


ATTORNEY GENERAL THOMAS J. MILLER  
ATTORNEY GENERAL OF IOWA

By: 

John F. Dwyer  
Attorney  
Iowa Dept. of Justice  
310 Maple Street  
Des Moines, Iowa 50319  
Tel: (515) 281-8414

Settlement Agreement between Plaintiff States and SST Corporation.

OFFICE OF THE ATTORNEY GENERAL  
CARLA J. STOVALL

By 

Rex G. Beasley

Assistant Attorney General

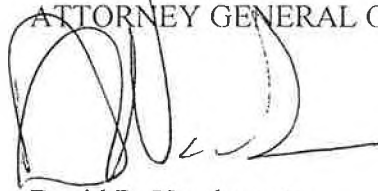
120 S.W. 10<sup>th</sup> Avenue, 2<sup>nd</sup> Floor

Topeka, Kansas 66612-1597

(785) 296-3751



ALBERT B. CHANDLER III  
ATTORNEY GENERAL OF KENTUCKY

A handwritten signature in black ink, appearing to read 'David R. Vandeventer', written over the printed name.

David R. Vandeventer  
Assistant Attorney General  
1024 Capitol Center Drive  
Frankfort, KY 40601



RICHARD P. IEYOUB  
ATTORNEY GENERAL

State of Louisiana  
DEPARTMENT OF JUSTICE  
PUBLIC PROTECTION DIVISION  
Baton Rouge  
70825

ONE AMERICAN PLACE  
301 MAIN ST., SUITE 1250  
TELEPHONE (225) 342-7900  
FAX (225) 342-7901

RICHARD P. IEYOUB  
ATTORNEY GENERAL OF LOUISIANA

BY: Jane Bishop Johnson  
Jane Bishop Johnson  
Assistant Attorney General  
Louisiana Department of Justice  
301 Main Street, Suite 1250  
Baton Rouge, LA 70801  
(225) 342 2754

Settlement Agreement between Plaintiff States and SST Corporation.


ATTORNEY GENERAL G. STEVEN ROWE  
ATTORNEY GENERAL OF MAINE

By: \_\_\_\_\_

Francis Ackerman  
Assistant Attorney General  
6 State House Station  
Augusta, Maine 04333  
207/626-8800

Settlement Agreement between Plaintiff States and SST Corporation.


J. JOSEPH CURRAN, JR.  
ATTORNEY GENERAL OF MARYLAND

  
ELLEN S. COOPER  
Chief, Antitrust Division

MEREDYTH SMITH ANDRUS  
Assistant Attorney General  
Office of the Attorney General  
Antitrust Division  
200 St. Paul Place  
Baltimore, MD 21202  
410-576-6470

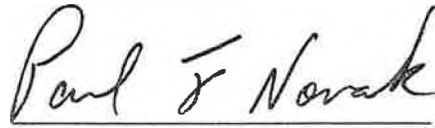
Settlement Agreement between Plaintiff States and SST Corporation.

ATTORNEY GENERAL THOMAS F. REILLY  
COMMONWEALTH OF MASSACHUSETTS

By:   
Freda Fishman  
Chief, Consumer Protection & Antitrust Division  
One Ashburton Place  
Boston, MA 02108  
(617) 727-2200

STATE OF MICHIGAN

JENNIFER M. GRANHOLM  
ATTORNEY GENERAL

A handwritten signature in cursive script that reads "Paul F. Novak". The signature is written in dark ink and is positioned above a horizontal line.

Paul F. Novak  
Assistant Attorney General  
Consumer Protection Division  
Antitrust and Franchise Section  
670 G. Mennen Williams Building  
525 W. Ottawa Street  
P.O. Box 30213  
Lansing, Michigan 48913  
(517) 373-7117

Settlement Agreement between Plaintiff States and SST Corporation.

ATTORNEY GENERAL MIKE HATCH  
ATTORNEY GENERAL OF MINNESOTA\_\_

By: Stephen F. Simon  
STEPHEN F. SIMON  
Assistant Attorney General  
445 Minnesota Street, Suite 1200  
St. Paul, MN 55101-2130  
(651) 296-6468

Settlement Agreement between Plaintiff States and SST Corp.

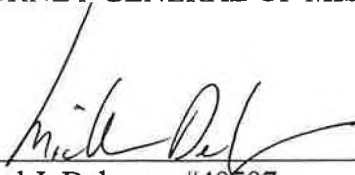
ATTORNEY GENERAL MIKE MOORE  
ATTORNEY GENERAL OF MISSISSIPPI

By: T. Hunt Cole, Jr.  
T. Hunt Cole, Jr.  
Special Assistant Attorney General  
Civil Litigation Division  
P. O. Box 220  
Jackson, MS 39205  
(601) 359-3680



Settlement Agreement between Plaintiff States and SST Corporation.

ATTORNEY GENERAL JEREMIAH W. (JAY) NIXON  
ATTORNEY GENERAL OF MISSOURI

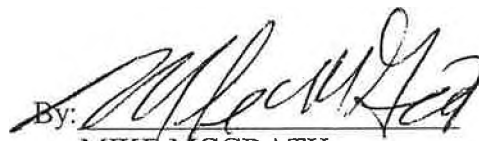


---

Michael J. Delaney, #49597  
Assistant Attorney General  
Wainwright State Office Building  
111 North Seventh Street , Suite 204  
St. Louis, MO 63101  
PHO: (314) 340-6816

Settlement Agreement between Plaintiff States and SST Corporation.

ATTORNEY GENERAL MIKE MCGRATH  
ATTORNEY GENERAL OF MONTANA

By: 

MIKE MCGRATH  
Montana Attorney General  
Justice Building  
215 North Sanders  
P.O. Box 201401  
Helena, MT 59620-1401  
(406) 444-2026

Settlement Agreement between Plaintiff States and SST Corporation.

Attorney General Don Stenberg  
Attorney General of the State of Nebraska

A handwritten signature in black ink, appearing to read "Dale A. Comer", written over a horizontal line.

Dale A. Comer, NBA # 15365  
Assistant Attorney General  
Chief, Legal Services Section  
Nebraska Department of Justice  
2115 State Capitol  
Lincoln, NE 68509  
Tel: (402) 471-2682  
Fax: (402) 471-3835

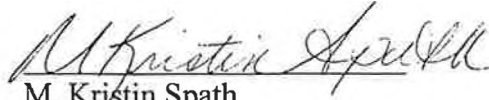
FRANKIE SUE DEL PAPA  
ATTORNEY GENERAL OF NEVADA

Telephone: (775) 687-6300, Ext. 239

Settlement Agreement between Plaintiff States and SST Corporation.

ATTORNEY GENERAL PHILIP T. MCLAUGHLIN  
ATTORNEY GENERAL NEW HAMPSHIRE

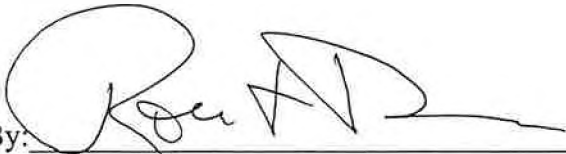
By:

A handwritten signature in cursive script, appearing to read "M. Kristin Spath", written over a horizontal line.

M. Kristin Spath  
Senior Assistant Attorney General  
33 Capitol Street  
Concord, New Hampshire 03301  
603-271-3643

Settlement Agreement between Plaintiff States and SST Corporation.

ATTORNEY GENERAL JOHN J. FARMER, JR.  
ATTORNEY GENERAL OF THE STATE OF  
NEW JERSEY

By:   
Robert J. Donaher

Name: Robert J. Donaher  
Title: Deputy Attorney General  
Address: CN 085, Trenton, NJ 08628  
Phone: (609) 984-1034

Settlement Agreement between Plaintiff States and SST Corporation.

ATTORNEY GENERAL PATRICIA A. MADRID  
ATTORNEY GENERAL OF NEW MEXICO

By: 

Glenn R. Smith


Special Counsel to the Attorney General  
6301 Indian School Rd. N.E., Suite 400  
Albuquerque, New Mexico 87110  
(505) 841-8098

Settlement Agreement between Plaintiff States and SST Corporation.

Date: December 21, 2000  
New York, NY

ELIOT SPITZER  
Attorney General of the  
State of New York

HARRY FIRST  
Chief, Antitrust Bureau

By:   
ROBERT L. HUBBARD  
Assistant Attorney General  
Director of Litigation, Antitrust Bureau  
120 Broadway  
New York, NY 10271

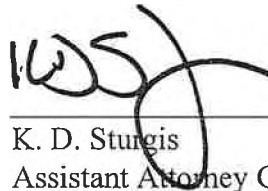
Of Counsel  
John A. Ioannou  
Assistant Attorney General  
Antitrust Bureau



Settlement Agreement between Plaintiff States and SST Corporation.

ROY COOPER  
ATTORNEY GENERAL OF NORTH CAROLINA

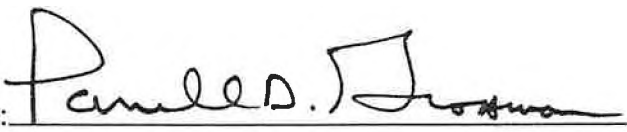
By:

A handwritten signature in black ink, appearing to read 'K. D. Sturgis', is written over a horizontal line.

K. D. Sturgis  
Assistant Attorney General  
N.C. State Bar No. 9486  
North Carolina Department of Justice  
Post Office Box 629  
Raleigh, NC 27602  
Telephone: 919/716.6000

Settlement Agreement between Plaintiff States and SST Corporation.

STATE OF NORTH DAKOTA  
WAYNE STENEHJEM  
ATTORNEY GENERAL

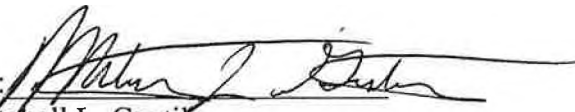
By: 

Parrell D. Grossman, ID No. 04684  
Assistant Attorney General  
Director, Consumer Protection &  
Antitrust Div.

Office of Attorney General  
600 E Boulevard Ave Dept. 125  
Bismarck, ND 58505-0040  
(701) 328-2811

Settlement Agreement between Plaintiff States and SST Corporation.

ATTORNEY GENERAL BETTY D. MONTGOMERY  
ATTORNEY GENERAL OF OHIO

By:   
Mitchell L. Gentile  
Principal Attorney  
Doreen C. Johnson  
Chief, Antitrust Section  
140 E. Town St., 12<sup>th</sup> Floor  
Columbus, OH 43215  
Phone: 614-466-4328


Settlement Agreement between Plaintiff States and SST Corporation.

W.A. DREW EDMONDSON  
ATTORNEY GENERAL OF OKLAHOMA

By: TZ 172  
Thomas A. Bates  
Assistant Attorney General  
4545 N. Lincoln Blvd., Suite 260  
Oklahoma City, OK. 73105  
405-522-1013

Settlement Agreement between Plaintiff States and SST Corporation.

HARDY MYERS  
ATTORNEY GENERAL OF OREGON

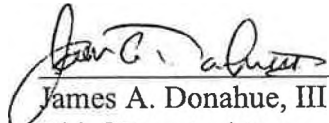
By:   
Name: Andrew E. Aubertine, OSB# 83013  
Title : Assistant Attorney General  
Address: Oregon Department of Justice  
1162 Court Street NE  
Salem, OR 97301-4096  
Phone: (503) 378-4732

Settlement Agreement between Plaintiff States and SST Corporation.

COMMONWEALTH OF PENNSYLVANIA

**D. MICHAEL FISHER**  
ATTORNEY GENERAL

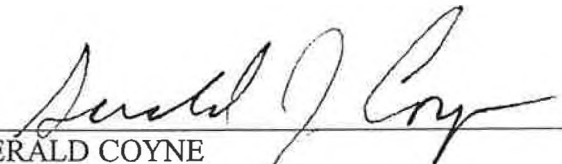
By:

  
James A. Donahue, III  
Chief Deputy Attorney General  
Antitrust Section


Joseph S. Betsko  
Tracy W. Wertz  
Deputy Attorneys General  
Antitrust Section  
Office of Attorney General  
14<sup>th</sup> Floor, Strawberry Square  
Harrisburg, PA 17120  
(717) 787-4530

Settlement Agreement among Plaintiff States, the Federal Trade Commission, and Mylan Laboratories, Inc., Gyma Laboratories of America, Inc., Profarmaco S.r.l., and Cambrex Corp.

ATTORNEY GENERAL SHELDON WHITEHOUSE  
ATTORNEY GENERAL OF RHODE ISLAND

By:   
GERALD COYNE  
Deputy Attorney General  
150 South Main Street, Providence, R.I. 02903  
(401) 274-4400

CHARLIE CONDON  
Attorney General of South Carolina

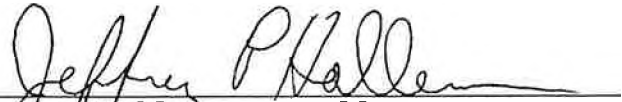
BY:   
C. HAVIRD JONES, JR.  
Senior Assistant Attorney General

P. O. Box 11549  
Columbia, SC 29211  
(803) 734-3680



Settlement Agreement between Plaintiff States and SST  
Corporation.

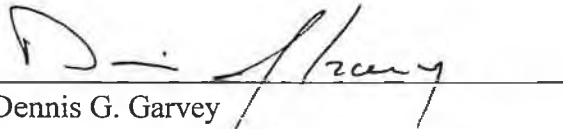
ATTORNEY GENERAL MARK BARNETT  
ATTORNEY GENERAL OF SOUTH DAKOTA

By:   
Name: Jeffrey P. Hallem  
Title: Assistant Attorney General  
Address: Office of Attorney General  
500 East Capitol Avenue  
Pierre, SD 57501-5070  
Telephone: (605) 773-3215

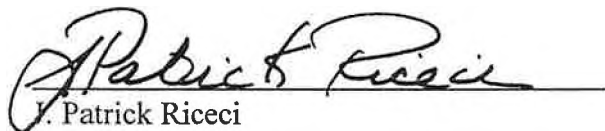
STATE OF TENNESSEE  
PAUL G. SUMMERS  
Attorney General and Reporter

A handwritten signature in black ink, appearing to read "Paul G. Summers", written over a horizontal line.

Paul G. Summers

A handwritten signature in black ink, appearing to read "Dennis G. Garvey", written over a horizontal line.

Dennis G. Garvey  
Deputy Attorney General  
Antitrust Division

A handwritten signature in black ink, appearing to read "J. Patrick Riceci", written over a horizontal line.

J. Patrick Riceci  
Assistant Attorney General  
Antitrust Division  
425 th Avenue North  
Nashville, Tennessee 37243  
(615) 741-3694

## Settlement Agreement between Plaintiff States and SST Corporation

JOHN CORNYN

Attorney General of Texas

ANDY TAYLOR

First Assistant Attorney General

JEFFREY S. BOYD

Deputy Attorney General for Litigation

DAVID A. TALBOT, JR.

Chief, Consumer Protection Division

MARK TOBEY

Chief, Antitrust Section



---

JOHN T. PRUD'HOMME, JR.

Assistant Attorney General

300 W. 15<sup>th</sup> Street, 9<sup>th</sup> Floor

Austin, TX 78711

(512) 463-2185

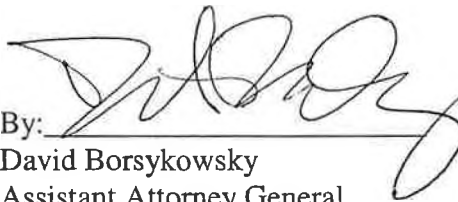
Settlement Agreement between Plaintiff States and SST Corporation.

ATTORNEY GENERAL MARK L. SHURTLEFF  
ATTORNEY GENERAL OF UTAH

By: Wayne Klein  
Name Wayne Klein  
Title Assistant Attorney General  
Address 160 East 300 South, 5<sup>th</sup> Floor  
Box 140872  
Salt Lake City, UT 84114-0872  
Phone (801) 366-0358

Settlement Agreement between Plaintiff States and SST Corporation.

ATTORNEY GENERAL WILLIAM H. SORRELL ..  
ATTORNEY GENERAL OF VERMONT

By: 

David Borsykowsky  
Assistant Attorney General  
Office of the Attorney General  
109 State Street  
Montpelier VT 05609-1001  
802-828-1057

1-9-2001

SETTLEMENT AGREEMENT BETWEEN PLAINTIFF STATES AND SST CORPORATION.

MARK L. EARLEY  
Attorney General

BY:

A handwritten signature in dark ink, appearing to read "Anne Marie Cushmac", written over a horizontal line.

ANNE MARIE CUSHMAC  
Assistant Attorney General  
Antitrust and Consumer Litigation Section  
Office of the Attorney General  
900 East Main Street  
Richmond, Virginia 23219  
(804) 786-2116  
(804) 786-0122 (fax)

Settlement Agreement between Plaintiff States and SST Corporation.

ATTORNEY GENERAL CHRISTINE O. GREGOIRE  
ATTORNEY GENERAL OF WASHINGTON

By: Marta Lowy

Tina E. Kondo  
Senior Assistant Attorney General  
Chief, Antitrust Division  
Marta Lowy  
Assistant Attorney General  
900 Fourth Avenue, Suite 2000  
Seattle, WA 98164  
(206) 464-6433

Settlement Agreement between Plaintiff States and SST Corporation

ATTORNEY GENERAL DARRELL V. MCGRAW, JR.  
ATTORNEY GENERAL OF WEST VIRGINIA

By:


A handwritten signature in cursive script, appearing to read "Jill L. Miles", written over a horizontal line.

Jill L. Miles, Deputy Attorney General  
Office of the Attorney General of West Virginia  
Consumer Protection/Antitrust Division  
Post Office Box 1789  
Charleston, West Virginia 25326-1789  
(304) 558-8986



Settlement Agreement between Plaintiff States and SST Corporation.

ATTORNEY GENERAL JAMES E. DOYLE  
ATTORNEY GENERAL OF WISCONSIN

By:   
KEVIN J. O'CONNOR  
Assistant Attorney General  
P.O. Box 7857  
123 West Washington Avenue,  
Madison, WI 53707  
(608) 266-8986

Settlement Agreement between Plaintiff States and SST Corporation.

ATTORNEY GENERAL GAY WOODHOUSE  
ATTORNEY GENERAL OF WYOMING

By: 

Christopher Petrie  
Assistant Attorney General  
Wyoming Attorney General's Office  
Consumer protection Unit  
123 Capitol Building  
Cheyenne, WY 82002  
(307) 777-5838



## ATTACHMENT 1

### FINAL ESCROW AGREEMENT

THIS FINAL ESCROW AGREEMENT, dated as of January \_\_, 2001 ("Final Escrow"), is entered into by the State of Ohio as liaison counsel, through its Attorney General, on behalf of the States of Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin and Wyoming (herein referred to as "Plaintiff States"), Mylan Pharmaceuticals, Inc. ("Mylan"), SST Corporation ("SST") and Fifth Third Bank, as Escrow Agent hereunder ("Escrow Agent").

### WHEREAS:

The Plaintiff States, the Federal Trade Commission, and defendants Mylan Laboratories Inc., Gynma Laboratories of America, Inc., Profarmaco S.r.l., and Cambrex Corp. have entered into a settlement agreement (the "Settlement") pursuant to which litigation by the Plaintiff States and the Federal Trade Commission against these defendants will be resolved, upon Court approval and under which Mylan has paid pursuant to an interim escrow agreement ("Interim Escrow", attached hereto as exhibit A), c/o the Escrow Agent, \$28,217,983 into the Mylan Antitrust Action State Claims Account 28 28 002 6013106 (the "State Fund") and \$71,782,017 into the Mylan Antitrust Action Consumer Claims Account 2828 002 6013098 (the "Consumer Fund"), and Mylan has agreed to pay up to an additional \$8,000,000 to the Cost and Fee Account for fees and costs of litigation incurred by the Litigating Plaintiff States;

A settlement agreement (the "SST Settlement") has also been entered into between the Plaintiff States and defendant SST that provides that SST shall pay, c/o the Escrow Agent, at least \$500,000 as follows: \$108,750 into the SST Agency Account, \$266,250 into the SST Consumer Fund, and at least \$125,000, plus certain additional funds that may accrue to the Plaintiff States as a result of SST's settlement with the Plaintiff States and proposed settlements with private plaintiffs, into the SST Cost and Fee Account;

Plaintiff States have appointed the Attorney General of the State of Ohio as Liaison Counsel (as defined below) to represent them in connection with the litigation and the settlement thereof, and;

Counsel for the Plaintiff States, by and through the Plaintiff States' Liaison Counsel, agree to appoint Fifth Third Bank as the Escrow Agent, and Fifth Third Bank is willing to act as Escrow Agent hereunder in accordance with the terms and conditions of this Final Escrow. In order to administer the Escrow Funds (as defined below), the parties hereto have entered into this Final Escrow.

### STATEMENT OF AGREEMENT

**NOW THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, for themselves, their successors and assigns, hereby agree to the foregoing and as follows:

#### 1. Definitions:

a. All capitalized terms used herein shall have the same meaning as provided for in the Settlement or SST Settlement, whichever is applicable, unless the capitalized term is expressly defined herein.

b. "Written Direction" shall mean a written notification, signed by the Plaintiff States' Representatives, in the form attached hereto as Exhibit B. Each Written Direction shall include a certification by the Plaintiff States' Representatives that the instructions in the notification are being made pursuant to the terms of the Settlements and this Final Escrow.

c. "Escrow Funds" shall mean (i) the funds deposited by Mylan with the Escrow Agent pursuant to the Interim Escrow including interest earned thereon (defined in the Interim Escrow therein as "Escrow Amounts"), (ii) funds deposited pursuant to this Final Escrow to the Cost and Fee Account, the SST Agency Account, the SST Consumer Fund, and the SST Cost and Fee Account, and (iii) any and all earnings and/or interest from investment of the Escrow Funds.

d. "Liaison Counsel for the Plaintiff States" or "Liaison Counsel" means the State of Ohio, through Betty D. Montgomery, Attorney General, or any other person or persons designated by her or any official successor.

e. "Plaintiff States' Representatives" shall mean Betty D. Montgomery, Attorney General of the State of Ohio, and J. Joseph Curran, Jr., Attorney General of the State of Maryland, or any other person or persons designated by them or any official successors.

f. "Settlements" shall mean the Settlement and the SST Settlement.

2. Appointment of and Acceptance by Escrow Agent. The Plaintiff States' Representatives hereby appoint Fifth Third Bank to serve as the Escrow Agent hereunder. Escrow Agent hereby accepts such appointment and agrees to hold, invest and disburse all Escrow Funds in accordance with this Final Escrow.

3. Distribution Accounts.

a. In addition to the State Fund and the Consumer Fund already established under the Interim Escrow, Escrow Agent shall separately establish the SST State Fund and the SST Consumer Fund (collectively, the "Accounts").

b. Escrow Agent shall establish two (2) segregated subaccounts within the State Fund: the Agency Account and the Cost and Fee Account. Mylan shall fund the Cost and Fee Account by wire transfer pursuant to the Final Order within five (5) business days following entry of the Final Order. Escrow Agent shall segregate the payment already made by Mylan to the State Fund pursuant to the Interim Escrow, including interest thereon, into the Agency Account. Escrow Agent shall continue to maintain the Consumer Fund separately. Escrow Agent shall also account separately for the interest earned upon the Cost and Fee Account, Agency Account, and the Consumer Fund.

c. SST shall fund by wire transfer the SST Consumer Fund within twenty (20) days after preliminary approval of the SST Settlement. Escrow Agent shall establish two (2) segregated subaccounts within the SST State Fund: the SST Agency Account and the SST Cost and Fee Account. SST shall fund by wire transfer the SST Agency Account within twenty (20) days after preliminary approval of the SST Settlement. SST shall wire transfer \$125,000 to the SST Cost and Fee Account within twenty (20) days after preliminary approval of the SST Settlement. Any additional funds accruing to the Plaintiff States

pursuant to SST's settlement with the Plaintiff States and proposed settlements with private plaintiffs shall be transferred to the SST Cost and Fee Account within twenty (20) days of such funds accruing to the Plaintiff States. Escrow Agent shall account separately for the interest earned upon the SST Cost and Fee Account, the SST Agency Account, and the SST Consumer Fund.

4. Disbursement of Escrow Funds.

a. The Escrow Agent shall disburse Escrow Funds solely as provided for herein or by order of the Court. At the Effective Date, as defined in the Mylan Settlement Agreement, which is incorporated herein as Exhibit D, the Plaintiff States and Mylan shall jointly instruct the Escrow Agent, in writing, that it may disburse funds from the Consumer Fund and State Fund pursuant to this Paragraph 4c, d and e. At the Effective Date, as defined in the SST Settlement Agreement, which is incorporated herein as Exhibit E, the Plaintiff States and SST shall jointly instruct the Escrow Agent, in writing, that it may disburse funds from the SST Consumer Fund and SST State Fund pursuant to this Paragraph 4c, d and e.

b. Escrow Agent shall pay from the Consumer Fund the costs and expenses associated with administering the Settlements, including, without limitation, costs and expenses for providing proper notice of the Settlements, expert or consulting fees, the processing and payment of claims, and the fees and expenses of the Escrow Agent; except those expenses incurred in writing checks and distribution of the Agency Account shall be paid from the Agency Account. Taxes and Tax Expenses shall be paid as provided for in Paragraph 8 below.

c. Escrow Agent shall distribute Escrow Funds for compensation to natural persons only from the Consumer Fund and the SST Consumer Fund. Escrow Agent shall distribute the Consumer Fund for compensation to natural persons upon Written Direction from Plaintiff States' Representatives. Escrow Agent shall distribute the SST Consumer Fund to natural persons upon Written Direction from Plaintiff States' Representatives. If requested by Plaintiff States' Representatives, and if approved by the Court, Escrow Agent shall distribute any residue and/or interest remaining in the Consumer Fund and/or the SST Consumer Fund to the Litigating Plaintiff States for *pro pres* distribution by their respective Attorneys General.

d. Escrow Agent shall distribute Escrow Funds for compensation to state agencies only from the Agency Account and the SST Agency Account. Escrow Agent shall distribute the Agency Account for compensation to state agencies upon Written Direction from Plaintiff States' Representatives. Escrow Agent shall distribute the SST Agency Account for compensation to state agencies upon Written Direction from Plaintiff States' Representatives.

e. Escrow Agent shall distribute Escrow Funds for reimbursement of attorney fees and costs incurred by Litigating Plaintiff States, and/or contribution to the NAAG Milk Fund, solely from the Cost and Fee Account and the SST Cost and Fee Account. Escrow Agent shall distribute the Cost and Fee Account for such reimbursement and/or contribution upon Written Direction from Plaintiff States' Representatives. Escrow Agent shall distribute the SST Cost and Fee Account for such reimbursement and/or contribution upon Written Direction from Plaintiff States' Representatives.

5. Cooperation with Other Parties. Escrow Agent shall, at the direction of the Plaintiff States' Representatives, cooperate with and provide all account and other necessary information to any company or person employed by the Plaintiff States to administer a consumer claims procedure, including any cooperation necessary for the issuance of consumer refund checks by such claims administrator.

6. Termination of Settlement Agreement. If the Settlement is not approved or is terminated, cancelled, voided or the Effective Date does not occur for any reason ("Terminating Event"), all Escrow Funds paid by Mylan (and interest thereon) shall be refunded to Mylan, reduced by the actual out-of-pocket costs and expenses incurred or committed in the administration of the Settlements to the date of the Terminating Event. In such case, refund shall occur within thirty (30) days of notification of the Terminating Event, in writing, from Mylan and the Plaintiff States' Representatives to the Escrow Agent. If the SST Settlement is not approved or is terminated, cancelled, voided or the Effective Date of the SST Settlement does not occur for any reason ("SST Terminating Event"), all Escrow Funds paid by SST (and interest thereon) shall be refunded to SST. In such case, refund shall occur within thirty (30) days of notification of the SST Terminating Event, in writing, from SST and the Plaintiff States' Representatives to the Escrow Agent. The refund to Mylan and/or SST shall be reduced by the pro-rata share of any Taxes and Tax Expenses (as those terms are defined below) paid or owed by the effected Account(s) through, as applicable, the date of the Terminating Event and/or the SST Terminating Event.

7. Investment of Escrow Funds. Escrow Agent shall, in accordance with Written Directions, invest the Escrow Funds in obligations of, or obligations guaranteed by, the United States of America or any of its departments or agencies, or in pre-refunded or escrowed municipal bonds which are federally insured, to obtain the highest available return on investment, and shall reinvest the proceeds of these instruments as they mature in similar instruments at their then current market rates. Escrow Agent shall bear all risks related to the investment of Escrow Funds. The Escrow Funds shall be deemed and considered to be in *custodia legis* of the Court, and shall remain subject to the jurisdiction of the Court, until such time as such Escrow Funds are fully distributed or upon further order(s) of the Court.

8. Preparation and Payment of Taxes. Escrow Agent shall establish and treat the Accounts as each being at all times a separate "qualified settlement fund" within the meaning of Treas. Reg. §1.468B-1, and ensure that each Account is treated as a separate taxpayer. In addition, Escrow Agent and, as required, the parties hereto shall jointly and timely make such elections as necessary or advisable to carry out the provisions of the Settlements, including the "relation-back election" (as defined in Treas. Reg. §1.468B-1), back to the earliest permitted date. Such elections shall be made in compliance with the procedures and requirements contained in such regulation. It shall be the responsibility of Escrow Agent to timely and properly prepare and deliver the necessary documentation for signature by all necessary parties, and thereafter to cause the appropriate filing(s) to occur. For the purpose of § 468B of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the "administrator" shall be the Escrow Agent. Escrow Agent shall timely and properly file all informational and other tax returns necessary or advisable with respect to each Account (including without limitation the returns described in Treas. Reg. §1.468B-2 K and L). Such returns shall reflect that all taxes (including any estimated taxes, interest or penalties) on the income earned by each Account shall be paid by the effected Account. All (i) taxes (including any estimated taxes, interest or penalties) arising with respect to the income earned by an Account, including any taxes or tax detriments that may be imposed upon Mylan and/or SST with respect to any income earned by that Account for any period during which that Account does not qualify as a "qualified settlement fund" for federal or state income tax purposes ("Taxes"), and (ii) expenses and costs incurred in connection with the operation and implementation of this paragraph (including, without limitation, expenses of tax attorneys and/or accountants and mailing and distribution costs and expenses relating to filing (or failing to file) the returns described herein) ("Tax Expenses"), shall be paid out of effected Account. Further, Taxes and Tax Expenses shall be treated as, and considered to be, a cost of administration of the Settlements and shall be timely paid by Escrow Agent out of the effected Account without prior order from the Court, and Escrow Agent shall be obligated (notwithstanding anything herein to the contrary) to withhold from distribution to Plaintiff States any monies necessary to pay such amounts including the establishment for adequate reserves for any Taxes and Tax Expenses (as well as any amounts that may be required to be withheld under Treas.

Reg. §1.468B-2(1), (2)); Mylan and SST are not responsible and shall have no liability therefor or for any reporting requirements that may relate thereto. The parties hereto agree to cooperate with the Escrow Agent, each other, and their tax attorneys and accountants to the extent reasonably necessary to carry out the provisions of this paragraph. Escrow Agent shall be responsible for and liable for any negligence in preparation and filing of Taxes and Tax Expenses (including, without limitation, taxes payable by reason of such negligence).

9. Resignation and Removal of Escrow Agent. Escrow Agent may resign from the performance of its duties hereunder at any time by giving sixty (60) days prior written notice to the Plaintiff States' Representatives or may be removed, with or without cause, by the Plaintiff States' Representatives, by furnishing thirty (30) days prior written notice to Escrow Agent. Such resignation or removal shall take effect upon the appointment of a successor Escrow Agent as provided herein. Upon any such notice of resignation or removal, the Plaintiff States' Representatives shall appoint a successor Escrow Agent hereunder, subject to the approval of Mylan and SST. Upon the acceptance in writing of any appointment as Escrow Agent hereunder by a successor Escrow Agent, such successor Escrow Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Escrow Agent, and the retiring Escrow Agent shall be discharged from its duties and obligations under this Final Escrow, but shall not be discharged from any liability for actions taken as Escrow Agent hereunder prior to such succession. The retiring Escrow Agent shall transmit all records pertaining to the Escrow Funds and shall pay all Escrow Funds to the successor Escrow Agent, after making copies of such records as the retiring Escrow Agent deems advisable and after deduction by and payment to the retiring Escrow Agent (after written notice to Plaintiff States' Representatives) of all fees and expenses incurred by or expected to be incurred by the retiring Escrow Agent in connection with the performance of its duties and the exercise of its rights hereunder.

10. Liability of Escrow Agent. The duties and obligations of the Escrow Agent shall be determined by the express provisions of this Final Escrow and the Settlements, and no implied duties or obligations shall be inferred or otherwise imposed upon or against the Escrow Agent, and the Escrow Agent shall not be liable except for the performance of such duties and obligations as are specifically set out in this Final Escrow and the Settlements.

11. Fees and Expenses of Escrow Agent.

a. The Escrow Agent shall be compensated for its services hereunder in accordance with Exhibit C attached hereto, pursuant to the bid accepted by Liaison Counsel.

b. Escrow Agent is authorized to, and may disburse, to itself the amount of any compensation due and payable hereunder in accordance with Paragraph 4(b) above and this Paragraph. Such compensation may be directly disbursed by the Escrow Agent to itself on a monthly basis, thirty (30) days after giving written notice, consisting of an itemization of compensation earned, and copies of invoices, to the Plaintiff States' Representatives and Mylan.

12. Reports and Accounting. Escrow Agent will provide monthly reports to Plaintiff States' Representatives, and, if requested, to Mylan and SST, in a form that is acceptable to the Plaintiff States' Representatives, reflecting income and disbursement activity of the Escrow Funds for the period and year to date. The Escrow Agent shall further issue a final report and accounting which will summarize the income, expenses, and disbursements associated with the administration of the Escrow Funds and such other reports as the Plaintiff States' Representatives may reasonably require from time to time. Escrow Agent shall provide copies of the final report and accounting to Mylan and SST. Reports and the status of all accounts shall be accessible to the Plaintiff States' Representatives on-line. The Escrow Agent will provide the name of the



officer who will have principal responsibility of the management of the Escrow Funds and the Escrow Agent's relationship with the Office of the Ohio Attorney General.

13. Consent to Jurisdiction and Venue. In the event that any party hereto commences a lawsuit or other proceeding relating to or arising from this Escrow Agreement, the parties hereto agree that the District Court for the District of Columbia shall have the sole and exclusive jurisdiction over any such proceedings. Such Court shall have proper venue for any such lawsuit or judicial proceeding and the parties hereto waive any objection to such venue. The parties hereto consent to and agree to submit to the jurisdiction of such court and agree to accept service of process to vest personal jurisdiction over them in such Court.

14. Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been validly served, given or delivered five (5) days after deposit in the United States mails, by certified mail with return receipt requested and postage prepaid, when delivered personally, one (1) day after delivery to any overnight courier, or when transmitted by facsimile transmission facilities, and addressed to the party to be notified as follows:

If to Plaintiff States at:	Doreen C. Johnson Chief, Antitrust Section Mitchell L. Gentile Principal Attorney Office of the Ohio Attorney General 140 East Town Street, 12 <sup>th</sup> Floor Columbus, Ohio 43215  Meredyth Andrus Assistant Attorney General Office of the Attorney General of Maryland Antitrust Division 200 St. Paul Place, 19 <sup>th</sup> Floor Baltimore, Maryland 21202-2021
If to Mylan at:	James B. Weidner Clifford Chance Rogers & Wells LLP 200 Park Avenue New York, New York 10166-0153
If to SST at:	Sidney S. Rosdeitcher Paul, Weiss, Rifkind, Wharton & Garrison 1285 Avenue of the Americas New York, New York 10019-6064
If to Escrow Agent at:	Fifth Third Bank Frank Wojcik Vice President 21 East State Street Columbus, Ohio 43215

or to such other address as each party may designate for itself by like notice.

15. Rights to Account. Neither the Plaintiff States, their agencies or departments, nor any member of any *parents* or consumer class, shall have any rights or title to or interest in any portion of any Escrow Funds or Accounts except as provided by order of the Court.

16. Amendment or Waiver. This Final Escrow may be changed, waived, discharged or terminated only by a writing signed by Liaison Counsel for the Plaintiff States, Mylan, SST, and the Escrow Agent. No delay or omission by any party in exercising any right with respect hereto shall operate as a waiver. A waiver on any one occasion shall not be construed as a bar to, or waiver of, any right or remedy on any future occasion. Escrow Agent agrees to enter into an amendment of this Final Escrow with respect to the treatment, designation, and/or use of the Escrow Funds, including, without limitation, the tax treatment of the Escrow Funds, should such amendment be deemed warranted by Plaintiff States' Representatives, Mylan and SST.

17. Governing Law. This Final Escrow shall be construed and interpreted in accordance with the laws of the State of Ohio without giving effect to the conflict of laws principles thereof.

18. Entire Agreement. This Final Escrow and the Settlements constitute the entire agreement between the parties relating to the holding, investment and disbursement of the Escrow Funds and set forth in their entirety the obligations and duties of Escrow Agent with respect to the Escrow Funds.

19. Binding Effect. All of the terms of this Final Escrow, as may be amended from time to time, shall be binding upon, inure to the benefit of and be enforceable by the parties hereto and their respective heirs, successors and assigns.

20. Execution in Counterparts. This Final Escrow may be executed in two or more counterparts, which when so executed shall constitute one and the same agreement.

21. Dealings. Nothing herein shall preclude the Escrow Agent from acting in any other capacity for any party, person or entity referenced herein.

**IN WITNESS WHEREOF**, the parties hereto have caused this Final Escrow to be executed under seal as of the date first above written.

**PLAINTIFF STATES**

By: \_\_\_\_\_

Title: Director of Administration for Liaison Counsel

**MYLAN PHARMACEUTICALS, INC.**

By: \_\_\_\_\_

Counsel for Mylan Pharmaceuticals, Inc.

**SST CORPORATION**

By: \_\_\_\_\_

Counsel for SST Corporation

**FIFTH THIRD BANK**

By: \_\_\_\_\_

Title: Vice President \_\_\_\_\_

**EXHIBIT B**

**JOINT WRITTEN DIRECTION  
EXAMPLE**

**STATE OF CONNETICUT ET AL V MYLAN PHARMACEUTICALS ET AL**  
**ESCROW # \_\_\_\_\_**

In accord with the Final Escrow Agreement, dated \_\_\_\_\_, 2001 and the Settlement Agreements referenced in the Escrow Agreement, the Plaintiff States' Representatives direct \_\_\_\_\_ as the Escrow Agent to take the following action with respect to the Escrow Funds. The Escrow Agent shall:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

DATED: \_\_\_\_\_, 2001

**PLAINTIFF STATES**

By: \_\_\_\_\_

By: \_\_\_\_\_

Plaintiffs' States' Representatives

## Exhibit C

### Schedule of Fees and Expenses

**Out of Pocket Expenses:** \$0 (Absorbed in the Administrative Fee)

**Annual Administration Fee:** \$20,000

**Investment Fee:**

For Interest-Bearing or Money

Market Account: 3 basis points (.0003) times average annual Assets.

For purchases of  
Treasury Securities: \$0

**Other:** \$0

Fifth Third Bank  
21 East State Street  
Columbus, Ohio 43215  
Attention: Frank Wojcik  
(614) 233-4413



ATTACHMENT 2

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

_____ THE FEDERAL TRADE COMMISSION,	)	
	)	
Plaintiff,	)	
	)	
v.	)	Civ. No. 1:98-CV-3114 (TFH)
	)	
MYLAN LABORATORIES, INC.,	)	
CAMBREX CORP.,	)	
PROFARMACO S.R.L., and	)	
GYMA LABORATORIES OF AMERICA, INC.,	)	
	)	
Defendants.	)	
_____ THE STATE OF CONNECTICUT, <i>et al.</i>	)	
	)	
Plaintiffs,	)	
	)	
v.	)	Civ. No. 1:98-CV-3115 (TFH)
	)	
MYLAN LABORATORIES, INC.,	)	
CAMBREX CORP.,	)	
PROFARMACO S.R.L.,	)	
GYMA LABORATORIES OF AMERICA, INC.,	)	
and SST CORP.,	)	
	)	
Defendants.	)	
_____	)	

**[PROPOSED] FINAL JUDGMENT AND ORDER**

**WHEREAS** the States of Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New

Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Washington, West Virginia, Wisconsin, Wyoming, and the Commonwealths of Kentucky, Massachusetts, Pennsylvania, and Virginia, through their Attorneys General, and the District of Columbia through its Corporation Counsel ("Plaintiff States" as defined below), and the Federal Trade Commission, have filed Complaints for damages, divestment, disgorgement, restitution and other equitable relief, injunctive relief, and civil penalties against the defendants Mylan Laboratories, Inc., Gyma Laboratories of America, Inc., Profarmaco S.r.l., and Cambrex Corp., alleging violations of the Sherman Act, Federal Trade Commission Act, and state antitrust and unfair competition and/or consumer protection laws.

**WHEREAS** Plaintiff States, the Commission and Settling Defendants desire to resolve any and all disputes arising from the Complaints. The parties executed a settlement agreement on \_\_\_\_\_ (the "Mylan Settlement Agreement"). The Mylan Settlement Agreement was filed with the Court on \_\_\_\_\_, 2001. The Mylan Settlement Agreement does not constitute any evidence against or an admission of liability by the Settling Defendants.

**WHEREAS** in full and final settlement of the claims set forth in the Complaints, Mylan Pharmaceuticals, Inc. has paid \$100 million in cash, of which \$71,782,017.00 was paid into a Consumer Fund, to be distributed in accordance with the Consumer Distribution Plan, and of which \$28,217,983.00 was paid into a State Fund, to be distributed in accordance with the Government Compensation Plan, as set forth in the Mylan Settlement Agreement. Mylan Pharmaceuticals, Inc. has further agreed to pay up to \$8 million in cash into the Cost and Fee Account, as set forth in the Mylan Settlement Agreement. Settling Defendants have also agreed to entry of this Final Judgment



and Order.

**WHEREAS** the Commission and Settling Defendants have entered into a Stipulated Permanent Injunction, which was approved by the Commission on November 29, 2000, Attachment 4 to the Mylan Settlement Agreement, incorporated herein by reference.

**WHEREAS** the Plaintiff States have also filed a Complaint for damages, divestment, disgorgement, restitution and other equitable relief, and civil penalties against SST Corporation (“SST”), alleging violations of the Sherman Act and state antitrust and unfair competition and/or consumer protection laws (“SST Complaint”).

**WHEREAS** the Plaintiff States and SST Settling Defendant desire to resolve any and all disputes arising from the SST Complaint. The parties executed a settlement agreement on \_\_\_\_\_, 2001 (the “SST Settlement Agreement”). The SST Settlement Agreement was filed with the Court on \_\_\_\_\_, 2001. The SST Settlement Agreement does not constitute any evidence against or an admission of liability by SST Settling Defendant.

**WHEREAS** in full and final settlement of the claims set forth in the SST Complaint, SST has paid to the Plaintiff States \$500,000, c/o the Escrow Agent appointed pursuant to the Settlement Agreements, and the Plaintiff States’ share of the \$1 million payment made pursuant to SST’s settlement in the Advocate Action. SST Settling Defendant has also agreed to the entry of this Final Judgment and Order.

**WHEREAS** Plaintiff States have agreed to release the claims of consumers residing in the Plaintiff States who have not submitted valid and timely requests for exclusion from the Settlement Group in accordance with the instructions contained in the Notice, and the Commission has agreed to release its equitable claims.

**WHEREAS** pursuant to a Preliminary Approval Order, Notice of the Settlement Agreements was given to the Settlement Group pursuant to Court order in accordance with Federal Rules of Civil Procedure 23(c)(2) and 23(e), state *parens patriae* laws and/or state equitable authority and the requirements of due process.

**WHEREAS** an opportunity to be heard was given to all members of the Settlement Group requesting to be heard in accordance with this Court's orders. The Court has reviewed and considered the terms of the Settlement Agreements, the submissions of the parties in support thereof, and the comments received in response to the Notice. After holding a hearing on \_\_\_\_\_, 2001 at which all interested parties were given an opportunity to be heard,

**NOW, THEREFORE**, before the taking of any testimony, without trial or adjudication of any issue of fact or law herein, without any admission of liability or wrongdoing by Settling Defendants or SST Settling Defendant and upon the consent of the Parties hereto, **IT IS HEREBY ORDERED, ADJUDGED AND DECREED:**

## **I. JURISDICTION**

The Court has jurisdiction over the subject matter of this action and the parties hereto. The Plaintiff States brought this action asserting claims under Sections 1 and 2 of the Sherman Act, 15 U.S.C. §§ 1 and 2, and claims under state antitrust, unfair competition and consumer protection statutes, and common law. The Commission brought this action under Sections 5 and 13(b) of the Federal Trade Commission Act, 15 U.S.C. §§ 45 and 53(b). Jurisdiction lies in this Court pursuant to 28 U.S.C. §§ 1331, 1337 and 1367(a). Venue is proper in the District of the District of Columbia.

## **II. DEFINITIONS**

As used in this Final Judgment and Order, the following definitions shall apply:

A. “Advocate Action” means the action entitled *Advocate Health Care, et al. v. Mylan Laboratories, Inc., et al.*, which is one of the coordinated cases in *In re Lorazepam and Clorazepate Antitrust Litigation*, Case No. MDL-1290 in this Court.

B. “Agency Account” means a separate account, established within the State Fund, funded and distributed as specified in the Mylan Settlement Agreement.

C. “Class” means the class certified for settlement purposes only as provided in Section IV. hereof.

D. “Commission” means the Federal Trade Commission.

E. “Commission’s Complaint” means the complaint filed by the Commission on December 21, 1998, as amended on February 8, 1999, against Settling Defendants in the United States District Court for the District of Columbia.

F. “Consumer Distribution Plan” means the plan and method of allocation of the Consumer Fund and the SST Consumer Fund submitted for this Court’s approval by the Plaintiff States.

G. “Consumer Fund” means an interest-bearing escrow account, established pursuant to the Escrow Agreement, administered by the Escrow Agent and funded and distributed as set forth in the Mylan Settlement Agreement.

H. “Cost and Fee Account” means a segregated account established within the State Fund and funded as set forth in the Mylan Settlement Agreement.

I. “Court” means the United States District Court for the District of Columbia.

J. “Escrow Agent” means the person or entity chosen by the Plaintiff States and designated pursuant to the Escrow Agreement to administer the Consumer Fund and State Fund as

set forth in the terms of the Mylan Settlement Agreement, and the SST Consumer Fund and SST State Fund as set forth in the terms of the SST Settlement Agreement.

K. "Escrow Agreement" means the escrow agreement, attached to the Settlement Agreements as Attachment 1.

L. "Government Compensation Plan" means the plan and method of allocation of the State Fund and the SST State Fund submitted for this Court's Approval by the Plaintiff States.

M. "Litigating Plaintiff States" means the 33 Plaintiff States that participated in the litigation and negotiation of the settlements of these actions: Alaska, Arkansas, California, Colorado, Connecticut, District of Columbia, Florida, Idaho, Illinois, Iowa, Kentucky, Louisiana, Maine, Maryland, Michigan, Minnesota, Missouri, New Mexico, New York, North Carolina, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Washington, West Virginia, and Wisconsin.<sup>1</sup>

N. "Mylan Settlement Agreement" means the Settlement Agreement between Plaintiff States, the Federal Trade Commission and Mylan Laboratories, Inc., Gyma Laboratories of America, Inc., Profarmaco S.r.l., and Cambrex Corp.

O. "Notice" means the notice or notices of these Settlement Agreements and hearing thereof that were disseminated to the members of the Settlement Group pursuant to this Court's Order of \_\_\_\_\_.

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<sup>1</sup> For purposes of the litigation and this settlement, the definition of "Litigating Plaintiff States" or "Plaintiff States" does not include the University of California. It is stipulated by the Parties that the California Attorney General has not represented the interests of the University of California in the litigation or the settlement thereof, and the University of California has not been participating in this action.



P. "Notice Plan" means the Court-approved process by which the Plaintiff States notified the Settlement Group of the Settlement Agreements.

Q. "Parties" means Plaintiff States, the Commission, Mylan Laboratories, Inc., Gyma Laboratories of America, Inc., Profarmaco S.r.l., Cambrex Corp. and SST Corporation.

R. "Person" means any natural person, partnership, corporation, or business entity.

S. "Plaintiff States" means the Litigating Plaintiff States and any State that became a party to the Settlement Agreements, through the State's Attorney General, individually and as authorized by law, in the state's sovereign capacity, on behalf of state agencies, in a statutory, equitable and/or common law capacity, and as representative of and/or *parens patriae* on behalf of all natural person citizens of such State who purchased either or both of the Relevant Drugs during the Relevant Period.

T. "Plaintiff States' Complaint" means the complaint filed by the Litigating Plaintiff States on December 21, 1998, as amended on February 8, 1999 and again on May 13, 1999 and the Third Amended Complaint filed by the Plaintiff States on \_\_\_\_\_, 2001.

U. "Preliminary Approval Order" means the Court's Order of \_\_\_\_\_, 2001 preliminarily approving the Settlement Agreements and establishing a schedule for Notice and further proceedings.

V. "Released Claims" means all claims, counterclaims, set-offs, demands, actions, rights, liabilities, and causes of action arising under federal or state antitrust, unfair methods of competition, or consumer protection laws, under state or federal unfair or deceptive trade practices acts, or under common law, asserted or that could have been asserted, by the Commission, by Settling Members

of the Settlement Group, or by the Plaintiff States on behalf of state agencies and/or natural person consumers within the Plaintiff States against Settling Defendants and SST Settling Defendant arising from the facts, matters, transactions, events, occurrences, acts, disclosures, statements, omissions, or failures to act set forth or alleged in the Commission's Complaint or in the Plaintiff States' Complaint.

W. "Relevant Drugs" means generic lorazepam or clorazepate sold in the United States.

X. "Relevant Period" means the period from January 1, 1998 through December 31, 1999.

Y. "Settlement Agreements" means the Mylan Settlement Agreement and the SST Settlement Agreement.

Z. "Settlement Group" means all natural person consumers represented by Attorneys General for the Plaintiff States, individually and as authorized by law in a statutory, equitable and/or common law capacity, as *pārens patriae* and/or as representatives of the Class.

AA. "Settling Defendants" means Mylan Laboratories, Inc. ("Mylan"), Gyma Laboratories of America, Inc. ("Gyma"), Profarmaco S.r.l. ("Profarmaco"), Cambrex Corp. ("Cambrex"), and any and all of their affiliates, subsidiaries, divisions and other organizational units of any kind, their successors and assigns, and their former, current and future officers, directors, employees, agents, attorneys, representatives, shareholders, partners and other persons acting on their behalf.

BB. "Settling Members of the Settlement Group" means each and every member of the Settlement Group who did not exercise his or her right to exclude himself or herself from the Settlement Group pursuant to a proper written request for exclusion postmarked on or before

\_\_\_\_\_, 2001.

CC. “SST” or “SST Corporation” means SST Corporation, a New Jersey Corporation with its principal place of business in Clifton, New Jersey.

DD. “SST Agency Account” means a separate account established within the SST State Fund, funded and distributed as specified in the SST Settlement Agreement.

EE. “SST Consumer Fund” means an interest-bearing escrow account established pursuant to the Escrow Agreement, administered by the Escrow Agent and funded and distributed as set forth in the SST Settlement Agreement.

FF. “SST Cost and Fee Account” means a segregated account established within the SST State Fund and funded as set forth in the SST Settlement Agreement.

GG. “SST Settlement Agreement” means the Settlement Agreement between Plaintiff States and SST Corporation.

HH. “SST Settling Defendant” means SST Corporation, and any and all of its affiliates, subsidiaries, divisions and other organizational units of any kind, their successors and assigns, and the former, current and future officers, directors, employees, agents, attorneys, representatives, shareholders and partners of each of the foregoing, and other persons acting on their behalf.

II. “SST State Fund” means an interest-bearing escrow account established pursuant to the Escrow Agreement, administered by the Escrow Agent and funded and distributed as set forth in the SST Settlement Agreement.

JJ. “State Fund” means an interest-bearing escrow account established pursuant to the Escrow Agreement, administered by the Escrow Agent and funded and distributed as set forth in the Mylan Settlement Agreement



KK. “State Liaison Counsel” or “Liaison Counsel for Plaintiff States” means the Attorney General of the State of Ohio.

LL. “Stipulated Permanent Injunction” means the injunction entered into between the Commission and the Settling Defendants in the action entitled *Federal Trade Commission v. Mylan, et al.*, approved by the Commission on November 29, 2000, in the form of Attachment 4 to the Mylan Settlement Agreement.

### **III. APPLICABILITY**

This Final Judgment and Order shall apply to the Plaintiff States, the Commission, the Settling Members of the Settlement Group, the Settling Defendants, and SST Settling Defendant.

### **IV. FINAL APPROVAL OF SETTLEMENTS AND CERTIFICATION OF THE SETTLEMENT CLASS**

A. With respect to the claims set forth in the Plaintiff States’ Complaint, the Court confirms its Preliminary Approval Order and finds under the circumstances of these settlements that the prerequisites to a class action set forth in Federal Rule of Civil Procedure 23(a) and (b) are satisfied, that the questions of law and fact common to the members of the class predominate over any questions affecting only individual members, and that a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

Accordingly, for the purpose of these settlements only, a class consisting of

all natural person consumers within Plaintiff States where such a class action may be brought, not otherwise represented by the Plaintiff States as *parens patriae*, who purchased generic lorazepam and/or clorazepate sold in the United States from January 1, 1998 through December 31, 1999

(the “Class”) is hereby certified. The States within that Class are set forth in Section VI. below.

B. The Court finds that the Notice was the best notice practicable under the circumstances and constitutes due and sufficient notice.

C. The terms of the Settlement Agreements are adjudged as fair, reasonable and adequate and in the best interest of consumers in the Plaintiff States and the Settlement Group as a whole, and satisfy the requirements of Federal Rules of Civil Procedure 23(e), state *parens patriae* laws and/or state equitable authority and due process.

D. The Settlement Agreements are hereby approved, and the Parties are directed to implement the settlements in accordance with their terms.

E. The Consumer Distribution Plan and Government Compensation Plan are hereby approved, and Plaintiffs are directed to cause the settlement funds to be distributed in accordance with said plans.

F. All members of the Settlement Group were afforded the opportunity to exclude themselves from the Settlement Group. A list of those members of the Settlement Group who timely and properly requested exclusion is attached hereto as Exhibit A.

G. All payments made by Mylan Pharmaceuticals, Inc. and SST Corporation pursuant to the Settlement Agreements are not, and shall not, be considered the payment of a penalty or fine under any state or federal laws, rules or regulations, or any other applicable statute or provision.

## **V. INJUNCTION**

The terms of the Stipulated Permanent Injunction entered into by Settling Defendants and the Commission, which was approved by the Commission on November 29, 2000, shall be binding on all the parties to the Mylan Settlement Agreement, and may be enforced by the Plaintiff States for the term provided for in the Stipulated Permanent Injunction in the following manner:

A. Settling Defendants shall provide the notices and/or reports pursuant to Sections VI, VII and VIII of the Stipulated Permanent Injunction to State Liaison Counsel, c/o Chief, Antitrust Section, Office of the Ohio Attorney General, 140 East Town Street, 12<sup>th</sup> Floor, Columbus, Ohio 43215.

B. Communications involving the Stipulated Permanent Injunction shall be communicated to Settling Defendants by State Liaison Counsel. All such communications shall be addressed to Settling Defendants as provided for in Section XI(G) of the Mylan Settlement Agreement.

C. Each Plaintiff State shall enforce Sections III, IV and V of the Stipulated Permanent Injunction through a committee comprised of the Offices of the Attorneys General for the States of Ohio, Maryland and Kentucky (the "Committee").

D. The Stipulated Permanent Injunction shall be enforced by the Plaintiff States by and through the Committee in the District Court for the District of Columbia.

## **VI. DISMISSAL OF ACTIONS AND RELEASES OF CLAIMS**

Subject to the provisions of Section IX of this Final Judgment and Order, the Commission's and the Plaintiff States' Complaints are dismissed with prejudice. The Commission, Plaintiff States, and Settling Members of the Settlement Group are barred from further prosecution of the Released Claims, and Settling Defendants and SST Settling Defendant are released and forever discharged from liability for the Released Claims.

The States of Alabama, Alaska, Arizona, California, Colorado, Delaware, District of Columbia, Hawaii, Idaho, Illinois, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Hampshire, New Jersey, New Mexico,

New York, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, and Wisconsin have authority to release, and are releasing, Settling Members of the Settlement Groups' claims pursuant to each Attorney General's *parens patriae* authority under state law.

The States of Alaska, Arkansas, California, Connecticut, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Massachusetts, Michigan, Minnesota, Mississippi, Montana, Nebraska, Nevada, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Texas, Utah, Virginia, Wisconsin, and Wyoming further have authority to release, and are releasing, Settling Members of the Settlement Groups' claims pursuant to each Attorney General's authority under Rule 23 of the Federal Rules of Civil Procedure.

The State of Colorado has further authority to release, and is releasing, Settling Members of the Settlement Groups' claims pursuant to the Attorney General's equitable authority under §6-4-111 C.R.S (2000).

The State of Maryland has authority to release, and is releasing, Settling Members of the Settlement Groups' claims pursuant to the Attorney General's equitable authority under Md. Com. Law Code Ann. §11-209.

The State of Washington has further authority to release, and is releasing, its claims for the benefit of Settling Members of the Settlement Group pursuant to the Attorney General's equitable authority under R.C.W. §19.86.080.

The State of Wyoming has further authority to release, and is releasing Settling Members of the Settlement Groups' claims pursuant to the Attorney General's authority under Wyoming Statute §40-12-106.

## **VII. FEES AND COSTS**

The Court approves the funding of the Cost and Fee Account as set forth in the Mylan Settlement Agreement in the amount of \$\_\_\_\_\_, and the funding of the SST Cost and Fee Account as set forth in the SST Settlement Agreement in the amount of \$\_\_\_\_\_, and directs the Escrow Agent to disburse the funds accordingly.

## **VIII. FINALITY OF JUDGMENT**

The Court finds that this Final Judgment and Order adjudicates all the claims, rights and liabilities of the Parties, and is final and shall be immediately appealable. Neither this Final Judgment and Order nor the Settlement Agreements shall constitute any evidence or admission of liability by any Settling Defendant or SST Settling Defendant, nor shall they be offered in evidence or used for any other purpose in this or any other matter or proceeding other than as may be necessary to consummate or enforce the Settlement Agreements or the terms of this Final Judgment and Order, or by any Settling Defendant or SST Settling Defendant in connection with any action asserting Released Claims.

## **IX. RETENTION OF JURISDICTION**

Without affecting the finality of this Order, the Court retains jurisdiction for the purposes of enforcing the terms of the Settlement Agreements and enabling any of the Parties to this Final Judgment and Order to apply to this Court at any time for such further orders and directions as may be necessary and appropriate for the construction or carrying out of this Final Judgment and Order for the modification of any of the provisions hereof, and for the enforcement of compliance herewith.

Dated \_\_\_\_\_

\_\_\_\_\_  
Honorable Thomas F. Hogan  
United States District Judge



**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA**

1

Connecticut, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Washington, West Virginia, Wisconsin, Wyoming and the Commonwealths of Kentucky, Massachusetts, Pennsylvania, and Virginia, through their Attorneys General, and the District of Columbia, through its Corporation Counsel, individually and as authorized by law, in the State's sovereign capacity, on behalf of state agencies, in a statutory, equitable and/or common law capacity, and as representative of and/or as *parens patriae* on behalf of all natural person citizens of such state who have purchased either or both of the Relevant Drugs during the Relevant Period, the Federal Trade Commission, and Mylan Laboratories, Inc., Gyma Laboratories of America, Inc., Profarmaco S.r.l., and Cambrex Corp., by and through their counsel of record in this litigation, have entered into settlement of this litigation;

WHEREAS the terms of this settlement are set forth in the Settlement Agreement between the Plaintiff States and Commission and the Settling Defendants ("Mylan Settlement Agreement");

WHEREAS the Plaintiff States and SST Corp., by and through their counsel of record in this litigation, have entered into settlement of this litigation;

WHEREAS the terms of this settlement are set forth in the Settlement Agreement between the Plaintiff States and SST Corp. ("SST Settlement Agreement");

WHEREAS these settlements will, subject to this Court's final approval, fully and finally compromise, settle and resolve the Released Claims subject to the terms and conditions set forth in the Mylan and SST Settlement Agreements ("the Settlement Agreements");



WHEREAS the parties to these Settlement Agreements (the “Parties”) have filed them with the Court and requested that the Court grant preliminary and final approval of these settlements pursuant to Federal Rule of Civil Procedure 23(e), and state *parens patriae* and/or statutory and equitable authority;

WHEREAS the Court has read and considered the Settlement Agreements, the proposed Notice Plan, and the pleadings and documents submitted in connection with the Parties’ request for preliminary approval of the Settlement Agreements, and good cause appearing therefor;

IT IS HEREBY ORDERED as follows:

**PRELIMINARY APPROVAL OF SETTLEMENTS AND  
CONDITIONAL CERTIFICATION OF THE SETTLEMENT CLASS**

1. This Court has jurisdiction over this action and each of the Parties.
2. The terms of the Settlement Agreements are hereby preliminarily approved, subject to further consideration thereof at the Settlement Hearing provided for below. The Court preliminarily finds that the settlements encompassed by the Settlement Agreements (the “Settlements”), including the proposed methods of distribution and allocation of the monies paid in settlement of these actions as outlined in the Consumer Distribution Plan and the Government Compensation Plan, are fair, reasonable and adequate and in the best interest of consumers in the Plaintiff States and the Settlement Group as a whole, and their terms satisfy Federal Rule of Civil Procedure 23(e), state equitable and/or *parens patriae* laws, and due process so that notice of the Settlements should be given as provided in this Order.

3. For the purpose of these settlements only, a class consisting of

All natural person consumers within Plaintiff  
States where such a class action may be brought,  
not otherwise represented by the Plaintiff States

as *parens patriae*, who purchased generic lorazepam and/or clorazepate sold in the United States from January 1, 1998 through December 31, 1999

(the “Class”) is hereby conditionally certified, pending final approval of the settlements herein.

4. The Court preliminarily finds that:

(a) The Attorneys General of the States of Alaska, California, Illinois, Kansas, Kentucky, Louisiana, Massachusetts, Michigan, Minnesota, Mississippi, Montana, Nevada, North Carolina, North Dakota, Ohio, Oregon, Rhode Island, South Dakota, Texas, Utah, Virginia and Wisconsin, pursuant to their respective state’s *parens patriae* authority and Fed. R. Civ. P. 23, have the authority to represent, settle and release the claims of natural persons residing within their states.

(b) The Attorneys General of the States of Alabama, Arizona, Colorado, Delaware, Hawaii, Idaho, Maine, Missouri, New Hampshire, New Jersey, New Mexico, New York, Pennsylvania, Tennessee, Vermont, Washington, West Virginia, and the District of Columbia, pursuant their respective state’s *parens patriae* authority, have the authority to represent, settle and release the claims of natural persons residing within their states.

(c) The Attorneys General of the States of Arkansas, Connecticut, Florida, Georgia, Indiana, Iowa, Nebraska, Oklahoma South Carolina, and Wyoming have the authority to represent, settle and release the claims of natural persons residing within their states pursuant to Fed. R. Civ. P. 23.

(d) The Attorneys General of the States of Colorado and Maryland have the authority to represent, settle and release the claims of natural persons residing within their states pursuant to their equitable authority under §6-4-111 C.R.S. (2000) and Md. Com. Law Code Ann.

§11-209, respectively.

(e) The Attorney General of the State of Washington has the further authority to bring equitable claims for the benefit of natural persons residing within her state, and to settle and release such claims, pursuant to R.C.W. §19.86.080.

(f) The Attorney General of the State of Wyoming has the further authority to represent, settle and release the claims of natural persons residing within the state under Wyoming Statute §40-12-106.

### **NOTICE OF SETTLEMENT**

5. The Court finds that the form and content of the proposed notice (the "Notice"), attached as Appendix \_\_\_\_ to Plaintiff States' Memorandum in Support of Motion for Preliminary Approval of Settlement Agreements, is in full compliance with the requirements of Federal Rule of Civil Procedure 23, state *parens patriae* laws, and state equitable authority and satisfies due process. The Court further finds that the Notice provides to the Settlement Group sufficient information to make an informed and meaningful decision regarding their options in this litigation and the effect of these settlements on their rights, and that the Notice Plan is the best practicable method of notice under the circumstances. The Court approves the Notice and the Notice Plan.

6. The Court finds that the proposed \_\_\_\_-day Notice Period is adequate. The Notice Period shall run from \_\_\_\_, 2001 until \_\_\_\_, 2001.

7. The Court confirms the Attorney General of the State of Ohio as Liaison Counsel for the Plaintiff States.

8. As soon as practicable after entry of this Order, but no later than ninety (90) days after the date of entry hereof, State Liaison Counsel shall cause notice to be disseminated to the

Settlement Group in accordance with the Notice Plan and the terms of this Order.

### **REQUESTS FOR EXCLUSION**

9. All natural persons within the Settlement Group who submit valid and timely requests for exclusion from the Settlement Group postmarked on or before \_\_\_\_\_, 2001 pursuant to instructions contained in the Notice, shall not have any rights under the Settlement Agreements and shall not be bound by the Settlement Agreements or the Final Judgment and Order.

10. All members of the Settlement Group who do not submit valid and timely requests for exclusion from the Settlement Group postmarked on or before \_\_\_\_\_, 2001 pursuant to instructions contained in the Notice shall be bound by the Settlement Agreements and by the Final Judgment and Order.

### **THE SETTLEMENT HEARING**

11. A hearing on final settlement approval (the "Settlement Hearing") is hereby scheduled to be held before the undersigned on \_\_\_\_\_, 2001 at 10:00 a.m. in Courtroom No. 9, United States Courthouse, 333 Constitution Avenue, N.W., Washington, D.C. 20001 to consider: (a) the fairness, reasonableness and adequacy of the Settlements, (b) the dismissal with prejudice of these actions, and (c) the entry of the Final Judgment and Order in these actions.

12. Any member of the Settlement Group who does not file a Request for Exclusion in the manner set forth above may appear at the Settlement Hearing in person or by counsel and may be heard, to the extent allowed by the Court, either in support of or in opposition to the fairness, reasonableness and adequacy of the Settlements and the dismissal with prejudice of these actions as to the Settling Defendants and SST Settling Defendant, and the entry of final judgment provided, however, that no person shall be heard in opposition to the Settlements, or dismissal and/or entry of

final judgment, and no papers or briefs submitted by or on behalf of any such person shall be accepted or considered by the Court, unless on or before \_\_\_\_\_, 2001 such person: (a) files with the Clerk of the Court a notice of such person's intention to appear ("Notice of Appearance"), as well as a statement that indicates the basis for such person's opposition to the Settlements, or the dismissal of claims and/or the entry of final judgment ("Statement"), and any documentation in support of such opposition, and (b) serves copies of such Notice of Appearance, Statement and documentation, as well as any other papers or briefs that such person files with the Court, either in person or by mail, upon the Mylan Antitrust Litigation Administrator, at P.O. Box \_\_\_\_\_, Faribault, Minnesota, and upon the following counsel:

Mitchell L. Gentile, Esq.  
Office of the Attorney General  
140 East Town Street, 12th Floor  
Columbus, OH 43215

Richard Feinstein, Esq.  
Federal Trade Commission  
601 Pennsylvania Avenue, NW  
Washington, DC 20580

James B. Weidner, Esq.  
Clifford Chance Rogers  
& Wells LLP  
200 Park Avenue  
New York, NY 10166

Sidney S. Rosdeitcher, Esq.  
Paul Weiss Rifkind Wharton &  
Garrison  
1285 Avenue of the Americas  
New York, NY 10019-6064

13. The date and time of the Settlement Hearing shall be set forth in the Notices, but shall be subject to adjournment by the Court without further notice other than that which may be posted at the Court and on the Court's web site.

14. All discovery and other pretrial proceedings in these actions were stayed and suspended as of August 4, 2000, pending the Effective Date of the Settlements as defined in the Settlement Agreements ("Final Approval"), and such stay continues, except such proceedings as are

provided for in the Settlement Agreements, or which may be necessary to implement the terms of the Settlement Agreements or this Order.

15. The Parties shall file with the Court any pleadings or memoranda in support of the Settlements and Settlement Agreements, including a statement that the Plaintiff States have effectuated the Notice Plan, no later than \_\_\_\_\_, 2001.

16. Any Settling Member of the Settlement Group may hire an attorney at his or her own expense to appear in this action. Such attorney shall serve the Notice of Appearance, Statement, and any supporting documentation on the counsel set forth in paragraph 12 on or before \_\_\_\_\_, 2001, and file it with the Court on or before \_\_\_\_\_, 2001.

17. Pending Final Approval, the Settling Members of the Settlement Group, Plaintiff States and the Commission, either directly, representatively, or in any other capacity, shall not commence or prosecute against the Settling Defendants or SST Settling Defendant, any action or proceeding in any court or tribunal asserting any of the claims or causes of action that are to be released by the Settlement Agreements upon Final Approval; and, upon Final Approval, all members of the Settlement Group who have not timely and validly excluded themselves from the Settlements, the Plaintiff States and the Commission ("Releasing Parties") shall be forever enjoined and barred from asserting any of the claims or causes of action released by the Settlement Agreements, and any such Releasing Party shall be deemed to have forever released any and all such claims and causes of action as provided for in the Settlement Agreements.

#### **OTHER PROVISIONS**

18. The Court, for purposes of this Order, adopts the definitions set forth in the Settlement Agreements, unless otherwise defined herein.

19. In the event the Settlements are terminated in accordance with the provisions of the Settlement Agreements, the Settlements and all proceedings had in connection therewith shall be null and void, except insofar as expressly provided to the contrary in the Settlement Agreements, and without prejudice to the *status quo ante* rights of the Settling Defendants and SST Settling Defendant and the Releasing Parties.

20. All proceedings in these actions against the Settling Defendants and SST are hereby stayed until such time as the Court renders a final decision regarding the approval of the Settlements and, if it approves the Settlements, enters the Final Judgment and Order as provided in the Settlement Agreements.

21. Neither this Order nor the Settlement Agreements shall constitute any evidence or admission of liability by any Settling Defendant or SST Settling Defendant, nor shall they be offered in evidence in this or any other proceeding except to consummate or enforce the Settlement Agreements or the terms of this Order, or by any Settling Defendant or SST Settling Defendant in connection with any action asserting Released Claims.

SO ORDERED this \_\_\_\_\_ day of \_\_\_\_\_ 2001.

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Honorable Thomas F. Hogan  
United States District Judge





## ATTACHMENT 4

### **GUIDELINES GOVERNING PAYMENT OF ATTORNEYS' FEES AND LITIGATION COSTS**

The Escrow Agent shall disburse the SST Cost and Fee Account to the Attorneys General representing the Litigating Plaintiff States as payment for their attorneys' fees and costs incurred in investigating, litigating and settling this action. The Cost and Fee Account shall be apportioned among the Litigating Plaintiff States in their sole discretion and such apportionments shall then be used by the Litigating Plaintiff States' Attorneys General for one or more of the following purposes, as determined by the Attorney General of each Litigating Plaintiff State, at his or her exclusive option, and as otherwise consistent with the laws of his or her respective state:<sup>14</sup>

- (1). Reimbursement of Litigating Plaintiff States' attorneys' fees and/or investigation, litigation and settlement administration costs incurred by such state;
- (2). Reimbursement of Litigating Plaintiff States' consultants' and experts' fees and costs incurred by such state;
- (3). Antitrust or consumer protection enforcement by the Attorney General of such state;
- (4). Deposit into a state antitrust or consumer protection account (e.g., revolving account, trust account) for use in accordance with the state laws governing that account;
- (5). Deposit into a fund exclusively dedicated to assisting the State Attorney General to defray the cost of experts, economists, and consultants in multistate antitrust investigations and litigations.

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<sup>14</sup>With respect to the State of Colorado, its apportionment shall be used first for reimbursement of Colorado's actual costs and attorneys fees and second, to be held, along with any interest thereon, in trust by the Attorney General for future consumer education, consumer fraud or antitrust enforcement efforts. With respect to the State of Maine, its apportionment shall be used for enforcement of the Maine Unfair Trade Practices Act, pursuant to 5 M.R.S.A. §209.

The Court's consideration of cost and fees shall be separate from the Court's consideration of the fairness, reasonableness and adequacy of the remaining terms of this SST Settlement Agreement. The Plaintiff States hereby explicitly agree that in the event the Court adopts a plan for payment of fees and costs other than that contained herein, the Plaintiff States will not object to or oppose approval of the remainder of the SST Settlement Agreement by the Court, or otherwise delay or affect approval of the settlement, or entry of the Final Judgment and Order.



## ATTACHMENT 5

### **GUIDELINES GOVERNING DEVELOPMENT OF GOVERNMENT COMPENSATION PLAN**

The Escrow Agent shall distribute all funds in the SST Agency Account according to the Government Compensation Plan. In the event a state or states do not opt into this SST Settlement Agreement pursuant to the terms of Section VIII.B. of the SST Settlement Agreement, the Government Compensation Plan shall be amended to distribute such state's share of the Agency Account among the Plaintiff States based on estimates of actual damages. Each Plaintiff State, through its Attorney General or as otherwise authorized by state law, shall be responsible for determining how to allocate its portion of the SST Agency Account. The Plaintiff States shall submit the Government Compensation Plan to the Court with the motion for Preliminary Approval of this settlement.

The Parties agree and understand that the Government Compensation Plan is not a part of the SST Settlement Agreement and the Court's consideration of the fairness of the Government Distribution Plan is to be considered separately from the Court's consideration of the fairness, reasonableness and adequacy of the settlement set forth in the SST Settlement Agreement. Any order or proceedings relating to the Government Compensation Plan shall not operate to terminate or cancel the SST Settlement Agreement or affect the finality of the Court's judgment approving the SST Settlement Agreement, the Final Judgment and Order, or any other orders entered pursuant to the SST Settlement Agreement.



## ATTACHMENT 6

### **GUIDELINES GOVERNING DEVELOPMENT OF CONSUMER DISTRIBUTION PLAN**

The Escrow Agent shall distribute and/or administer the distribution of all funds remaining in the SST Consumer Fund after payment of any tax obligations according to the Court-approved Consumer Distribution Plan. The following provisions shall govern the Consumer Distribution Plan.

The Consumer Distribution Plan shall provide for distribution of that portion of the SST Consumer Fund that remains unclaimed following direct payment of consumer claims. Such remainder shall be allocated to the Litigating Plaintiff States for *cy pres* distribution. The following provision applies to any *cy pres* distribution of settlement proceeds:

Each Litigating Plaintiff State, through its Attorney General or as otherwise authorized by state law, shall direct that its share of the unclaimed remainder of the SST Consumer Fund be distributed to that State, a political subdivision(s) thereof, and/or a charitable organization(s) qualified as an exempt organization under §501(c)(3) of the Internal Revenue Code, with express conditions and in accordance with the Court-approved Consumer Distribution Plan ensuring that the funds be used in a manner reasonably targeted to specifically benefit the health care needs of a substantial number of the persons injured by the increased prices of the Relevant Drugs during the Relevant Period. A Litigating Plaintiff State choosing to directly receive its share of the unclaimed remainder of the SST Consumer Fund may directly appropriate such funds, subject to the above-stated conditions, or may distribute such funds to a political subdivision(s) thereof, and/or a charitable organization(s) qualified as an exempt organization under §501(c)(3) of the Internal Revenue Code to be used subject to the express conditions stated above.

The Plaintiff States shall submit their proposed Consumer Distribution Plan, together with a proposed Notice Plan, to the Court for approval with the motion for preliminary approval of the settlement. Litigating Plaintiff States shall submit their proposals for *cy pres* distribution of the unclaimed remainder of the SST Consumer Fund to the Court for approval with their motion for final

approval of the settlement.

The Parties agree and understand that the Consumer Distribution Plan is not a part of the SST Settlement Agreement and the Court's consideration of the fairness of the Consumer Distribution Plan is to be considered separately from the Court's consideration of the fairness, reasonableness and adequacy of the settlement set forth in the SST Settlement Agreement. Any order or proceedings relating to the Consumer Distribution Plan shall not operate to terminate or cancel the SST Settlement Agreement or affect the finality of the Court's judgment approving the SST Settlement Agreement, the Final Judgment and Order, or any other orders entered pursuant to the SST Settlement Agreement.