

**SETTLEMENT AGREEMENT BETWEEN PLAINTIFF STATES, THE FEDERAL  
TRADE COMMISSION AND MYLAN LABORATORIES, INC., GYMA  
LABORATORIES OF AMERICA, INC., PROFARMACO S.R.L., CAMBREX CORP.**

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 the Settlement Agreement, through their respective Attorneys ("Plaintiff States" as defined below), the Federal Trade Commission ("Commission"), and Mylan Laboratories, Inc., Gyma Laboratories of America, Inc., Profarmaco S.r.l. and Cambrex Corp., through their undersigned counsel, (collectively, the "Parties"). Any state electing to join in the terms of the Settlement Agreement shall do so by executing a signature page which shall be appended to this Agreement.

WHEREAS, the Litigating Plaintiff States (as defined in Section I.N below) on December 21, 1998, as amended on February 8, 1999, and again on May 13, 1999, filed suit against Settling Defendants and SST Corporation 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 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 Settlement Agreement;

WHEREAS, the Commission on December 21, 1998, as amended on February 8, 1999, filed its Complaint against Settling Defendants in the United States District Court for the District of Columbia seeking permanent injunctive and other equitable relief, including disgorgement, and alleging that Settling Defendants monopolized, attempted to monopolize, conspired to monopolize and entered into agreements that unreasonably restrained trade in the markets for lorazepam and clorazepate active pharmaceutical ingredients and tablets;

WHEREAS, the Parties have engaged in extensive analysis of the pertinent facts. The Litigating Plaintiff States and the Commission have conducted an extensive investigation relating to the claims and underlying events and transactions alleged in the Commission's Complaint and the Plaintiff States' Complaint, as well as extensive legal research. As a result, the Litigating Plaintiff States and the Commission are thoroughly familiar with the liability and damages aspects of the claims they have asserted in the Commission's Complaint and 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 Settlement Agreement is fair, adequate and reasonable. Among the factors considered in that determination are the sharply contested legal and factual issues involved in these actions and the risks and costs attendant upon further prosecution of these actions;

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

WHEREAS, the Parties have each determined it to be in their respective best interests to resolve this dispute and enter into this Settlement Agreement;

NOW, THEREFORE, WITNESSETH:

#### I. DEFINITIONS

As used herein:

A. "Agency Account" means a separate account, to be established within the State Fund, funded pursuant to Section IV.A. below. The Agency Account shall be distributed as specified in the Government Compensation Plan.

B. "Class" means the members of a class to be certified for settlement purposes only pursuant to this 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.

C. "Commission" means the Federal Trade Commission.

D. "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.

E. "Consumer Distribution Plan" means the plan or method of allocation of the 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 7.

F. "Consumer Fund" means an interest-bearing escrow account, established pursuant to the Escrow Agreement and administered by the Escrow Agent. The principal of the Consumer Fund shall be funded as set forth in section IV.A. below. The Consumer Fund shall be distributed as specified in the Consumer Distribution Plan

G. "Cost and Fee Account" means a segregated account to be established within the State Fund, to be funded as set forth in Section IV.B.

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

I. "Effective Date" means the date on which this 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 the Parties:

1. Execution of this 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 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 Settlement embodied herein;

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

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

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 pursuant to the terms of this Settlement Agreement.

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

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

M. "Government Compensation Plan" means the plan or method of allocation of the 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 6.

N. "Litigating Plaintiff States" means the 33 Plaintiff States that participated in the litigation and negotiation of the settlement 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>

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

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

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

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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.

R. "Plaintiff States" means the Litigating Plaintiff States and any State which is or which becomes a party to this Settlement Agreement, as provided in Section IX. 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.

S. "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.

T. "Preliminary Approval Order" means the Court's order preliminarily approving this Settlement Agreement and establishing a schedule for Notice and further proceedings, as set forth in Section VII below, and substantially in the form of Attachment 3 hereto.

U. "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 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.

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

W. "Relevant Period" means the period from January 1, 1998 to December 31, 1999.

X. "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.

Y. "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.

Z. "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.

AA. "State Fund" means an interest-bearing escrow account established pursuant to the Escrow Agreement and administered by the Escrow Agent. The principal of the State Fund shall be funded as set forth in Sections IV.A. and B. below, and shall be segregated into an Agency Account and a Cost and Fee Account.

BB. "State Liaison Counsel" or "Liaison Counsel for Plaintiff States" means the Attorney General of the State of Ohio.

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

## 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. INJUNCTION

As part of this Settlement Agreement, the Commission and the Settling Defendants have entered into the Stipulated Permanent Injunction in the form of Attachment 4, the terms and conditions of which are incorporated into this Settlement Agreement as though set forth in this Section III in full. The term set forth in the Stipulated Permanent Injunction shall govern the term of enforcement of this Section III. The Stipulated Permanent Injunction may be enforced by the Plaintiff States 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 this 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.

#### IV. MONETARY PAYMENT

A. Mylan Pharmaceuticals, Inc. has agreed to pay \$100 million in cash in full and final settlement of the claims against all Settling Defendants as set forth in the Commission's Complaint and in the Plaintiff States' Complaint and in exchange for the release of all Released Claims. This amount has been paid in two wire transfers, as set forth below, c/o the Escrow Agent appointed pursuant to Section V of this Agreement. Of the \$100 million, \$28,217,983.00 has been paid into the Agency Account of the State Fund, and the remaining \$71,782,017.00 has been paid into the Consumer Fund.

B. Mylan Pharmaceuticals, Inc. further agrees to pay the Litigating Plaintiff States up to \$8 million for their attorneys' fees and costs incurred in the investigation and litigation of this matter. This amount shall be paid into the Cost and Fee Account of the State Fund within five (5) business days following entry of the Final Judgment and Order by the Court.

C. The payments made by Mylan Pharmaceuticals, Inc. pursuant to Sections IV.A. and IV.B. 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.

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

E. Mylan warrants that, as of the date of this Settlement Agreement, neither it nor any of its affiliates, including but not limited to Mylan Pharmaceuticals, Inc., is insolvent, nor will any

payment to the Consumer Fund and State Fund render it or any of its affiliates, including but not limited to, Mylan Pharmaceuticals, Inc., insolvent, within the meaning of and/or for the purposes of the United States Bankruptcy Code. If a case is commenced with respect to Mylan or any of its affiliates, 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 Consumer Fund or State Fund, and any accrued interest, or any portion thereof, by or on behalf of Mylan or any affiliate of Mylan, 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 Mylan or any of its affiliates, into the Consumer Fund or the State Fund pursuant to this agreement are either not delivered or are returned to Mylan or any of its affiliates, or the trustee, receiver, or conservator appointed by a court in any bankruptcy proceeding with respect to Mylan or any of its affiliates, then this Settlement Agreement shall be terminated and cancelled as set forth in Section X herein. In the event that Mylan has funded the Cost and Fee Account prior to any filing under Title 11 of the United States Code, this Section IV.E shall apply to the Consumer Fund and the Agency Account only.

F. Plaintiff States, Settling Members of the Settlement Group and the Commission 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.

G. The Parties agree that the decision by the Court regarding the amount to be deposited into the Cost and Fee Account and the disbursement thereof under the Guidelines Governing Payment of Attorneys' Fees and Litigation Costs (Attachment 5 hereto) shall be severable from this Settlement Agreement, and that regardless of such decision, Plaintiff States will not object to or oppose approval of the remainder of the Settlement Agreement by the Court, or otherwise delay or affect approval of the settlement, or entry of the Final Judgment and Order. Settling Defendants agree not to oppose the approval of the Litigating Plaintiff States' costs and attorneys' fees and the disbursement thereof under the Guidelines Governing Payment of Attorneys Fees and Litigation Costs, providing that the Litigating Plaintiff States shall use their best efforts to avoid duplicative, unreasonable or unnecessary costs and fees in determining the total amount requested to be approved by the Court, and further provided that Settling Defendants may request the Court to order the

Litigating Plaintiff States to provide an accounting of costs and fees if they are in good faith unsatisfied with the Litigating Plaintiff States' cost and fee summary.

## V. SETTLEMENT ADMINISTRATION

A. The Escrow Agent for the Consumer Fund and State Fund (collectively, the "Settlement Accounts") shall be determined by the Plaintiff States. The Escrow Agent shall invest the Consumer Fund and State Fund 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 Settlement Accounts shall be administered pursuant to the Consumer Distribution Plan, the Government Compensation Plan, the Escrow Agreement, this Settlement Agreement, and any order of the Court, as applicable.

C. All funds held in the 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 Settlement Accounts are fully distributed, or upon further order(s) of the Court.

### D. Tax Treatment of Settlement Accounts

1. The 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 V.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 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 V.D.1.) shall be consistent with this Section V.D and in all events shall reflect that all taxes (including any estimated taxes, interest or penalties) on the income earned by the Settlement Accounts shall be paid out of the appropriate Settlement Account as provided in Section V.D.3 herein.

3. All (i) taxes (including any estimated taxes, interest or penalties) arising with respect to the income earned by a Settlement Account, including any taxes or tax detriments that may be imposed upon Settling Defendants with respect to any income earned by a Settlement Account for any period during which such 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 V.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 V.D) ("Tax Expenses"), shall be paid out of the affected Settlement Account.

4. Taxes and Tax Expenses shall be treated as, and considered to be, a cost of administration of the Settlement and shall be timely paid by the Escrow Agent out of the appropriate 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 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 V.D. For purposes of this Section V.D, references to a Settlement Account shall include such Settlement Account and any earnings thereon.

E. Settling Defendants will have no responsibility or liability for any distributions of the 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 Settlement Agreement and any orders of the Court.

## VI. SETTLEMENT DISBURSEMENTS

### A Disbursement of Administrative Costs:

1. Agency Account: The Escrow Agent shall pay from the Agency Account only those administrative costs and expenses incurred in writing checks and otherwise incurred in distributing the Agency Account.

2. Consumer Fund: The Escrow Agent shall pay from the Consumer Fund all administrative costs and expenses, other than those identified in Section VI.A.1. above, associated with administering this settlement, including without limitation, costs and expenses necessary to secure court approval of the Settlement Agreement, such as an expert's affidavit, costs and expenses for providing proper notice of this Settlement Agreement, the processing and payment of claims and the fees and expenses of the Escrow Agent.

**B. Distribution to States:**

1. Disbursement of Attorneys' Fees and Litigation Costs:

The Escrow Agent shall disburse the 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 5 to this Settlement Agreement.

2. Distribution to State Agencies: The Escrow Agent shall distribute all funds remaining in the Agency Account after payment of the costs set forth in subsection VI.A.1. above, 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 6 to this 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 Consumer Fund after payment of the costs and expenses set forth in Section VI.A.2

above, 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 7 to this Settlement Agreement.

**D. Timing of Disbursements:**

1. The Escrow Agent shall pay the cost of administering this Settlement Agreement, as specified in Section VI.A. above, as these costs accrue, upon submission to the Escrow Agent of invoices for these costs as provided in the Escrow Agreement.

2. The Escrow Agent shall distribute the Cost and Fee Account and the portion of the Agency Account not already distributed pursuant to Section VI.A.1. above, within thirty (30) days of the Effective Date.

3. The Escrow Agent shall, in conjunction with the claims administrator, begin distributing the portion of the Consumer Fund not already distributed pursuant to section VI.A.2. above 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 Consumer Fund is fully distributed.

**VII. NOTICE AND SETTLEMENT HEARING**

A. Within ninety (90) days after execution of this Settlement Agreement, Liaison Counsel for Plaintiff States shall file with the Court a motion for Preliminary Approval of the Settlement Agreement. This motion shall include this 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 the Commission and Settling Defendants 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, Liaison Counsel for the Plaintiff States shall provide a draft copy of such motion (including all exhibits and attachments of such motion) to the Commission and Settling Defendants 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.

#### **VIII. 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 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.

#### **IX. BENEFIT AND BINDING EFFECT**

A. The terms of this 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 Settlement Agreement which may be enforced by any other person under any circumstances whatsoever, except as provided in this Settlement Agreement.

B. The terms of this 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 Settlement Agreement:

1. Signs an opt-in agreement and signature page which will be appended onto the body of the 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.

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

A. If this 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 Consumer Fund and the State Fund, and any interest accrued thereon, shall be refunded to Mylan Pharmaceuticals, Inc., reduced by the amount of actual out-of-pocket costs and expenses incurred or committed in the administration of this Settlement Agreement to the date of disapproval, cancellation, termination, voiding or the Effective Date not occurring. Refund to Mylan Pharmaceuticals, Inc. shall occur within thirty (30) days of the disapproval, cancellation, termination, voiding or the Effective Date not occurring. In such event, this Settlement Agreement shall become null and void, shall have no further force and effect, and the Commission and Plaintiff States shall retain full rights to assert any and all causes of action against Settling Defendants, and Settling Defendants 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 Settlement

Agreement, and all other related orders and papers, including the Stipulated Permanent Injunction, had not been executed, and the Parties shall jointly request that any order contemplated hereby, including the Stipulated Permanent Injunction, which shall have been entered be vacated. Notwithstanding the foregoing, the provisions of Section XI. I. shall survive the termination of this Settlement Agreement for any reason.

B. If the Court does not enter the orders or judgments contemplated by this 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 Settlement Agreement shall be cancelled and terminated, subject to the provisions of this Settlement Agreement, unless all Parties to this 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 settlement.

## **XI. MISCELLANEOUS**

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

B. The terms or provisions of this 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 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 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 Settlement Agreement on behalf of that Party.

D. The 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 Settlement Agreement are inserted only as a matter of convenience and in no way define, limit, extend, or describe the scope of this Settlement Agreement or the intent of any provision hereof.

F. The 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

To the Commission:

Assistant Director

Health Care Services and Product Division  
Bureau of Competition  
Federal Trade Commission  
601 Pennsylvania Avenue, NW  
Washington, DC 20580

**To Defendants:**

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

Debevoise & Plimpton  
Gary W. Kubek  
875 Third Avenue  
New York, New York 10022

Weil, Gotshal & Manges LLP  
Irving Scher  
767 Fifth Avenue  
New York, New York 10153

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 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 Settlement Agreement. This 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.

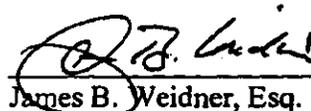
I. Neither this Settlement Agreement nor any proceedings undertaken in accordance with the terms set forth herein, shall be construed as or deemed to be evidence of or an admission or concession by Settling Defendants as to the validity of any claim that has been or could have been asserted against them or as to any liability by them, which liability is hereby expressly denied and disclaimed by Settling Defendants. Neither this 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 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 Commission and 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 or the Commission are requested by subpoena or other legal process to provide such information to any person, they shall immediately inform the Settling Defendants 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 the Settling Defendants who shall have the right and responsibility to challenge such subpoena or legal process. The obligations of the Plaintiff States and the Commission are governed by the Court's Protective Order entered March 16, 1999.

K. Notwithstanding Section XI.I above, this Settlement Agreement may be pleaded as a full and complete defense to any action, suit or other proceeding that has been or 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 Settlement Agreement may be pleaded as necessary for the purpose of enforcing the Settlement Agreement.

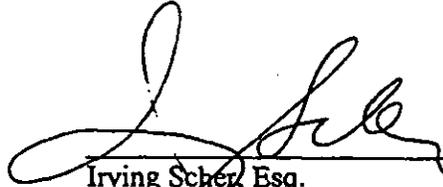
**FOR MYLAN LABORATORIES, INC. and  
MYLAN PHARMACEUTICALS, INC.**



---

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

**FOR GYMA LABORATORIES OF  
AMERICA, INC.**



---

Irving Scher, Esq.  
Weil, Gotshal & Manges LLP  
767 Fifth Avenue  
New York, N.Y. 10153

**FOR PROFARMACO S.R.L. and  
CAMBREX CORP.**

---

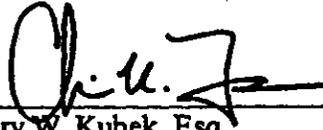
Gary W. Kubek, Esq.  
Debevoise & Plimpton  
875 Third Avenue  
New York, N.Y. 10022

**FOR GYMA LABORATORIES OF  
AMERICA, INC.**

---

David Hickerson, Esq.  
Weil, Gotshal & Manges LLP  
1615 L Street N.W., Suite 700  
Washington, D.C. 20036

**FOR PROFARMACO S.R.L. and  
CAMBEX CORP.**



---

Gary W. Kubek, Esq.  
Christopher K. Tahbaz, Esq.  
Debevoise & Plimpton  
875 Third Avenue  
New York, New York 10022

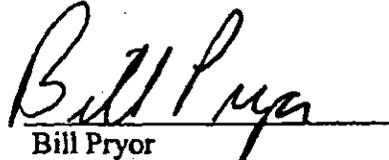
Settlement Agreement among Plaintiff States, the Federal Trade Commission, and Mylan Laboratories, Inc., Gyma Laboratories of America, Inc., Profarmaco S.r.l., and Cambrex Corp.

United States Federal Trade Commission

By: 

Name	Richard A. Feinstein, Esquire
Title	Assistant Director Heath Care Services and Products Division Bureau of Competition
Address	601 Pennsylvania Avenue, NW Room S-3115 Washington, DC 20580
Phone	(202) 326 3688

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.

A handwritten signature in black ink, appearing to read "Bill Pryor", 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 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 BRUCE M. BOTELHO  
ATTORNEY GENERAL OF ALASKA

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

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 JANET NAPOLITANO  
ATTORNEY GENERAL OF ARIZONA

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

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.

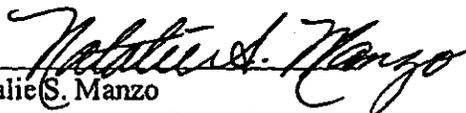
ATTORNEY GENERAL MARK PRYOR  
ATTORNEY GENERAL OF ARKANSAS

By: 

Teresa Brown, AR Bar no. 84113  
Senior Assistant Attorney General  
323 Center St. Ste. 200  
Little Rock, AR 72201  
(501) 682-3561

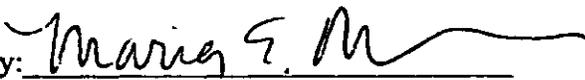
Settlement Agreement among Plaintiff States, the Federal Trade Commission, and Mylan Laboratories, Inc., Gyma Laboratories of America, Inc., Profarmaco S.r.l., and Cambrex Corp.

ATTORNEY GENERAL BILL LOCKYER  
ATTORNEY GENERAL OF CALIFORNIA

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

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 KEN SALAZAR  
ATTORNEY GENERAL OF COLORADO

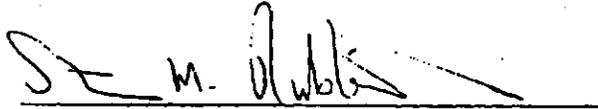
By: 

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

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 RICHARD BLUMENTHAL  
ATTORNEY GENERAL OF CONNECTICUT

BY:



Steven M. Rutstein  
Antitrust Department Head  
Assistant Attorney General

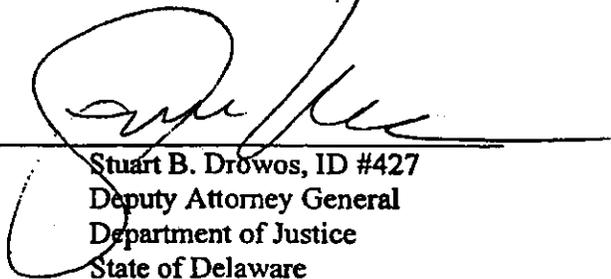


Arnold B. Feigin  
Assistant Attorney General  
110 Sherman Street  
Hartford, CT 06105  
Tel: (860) 808-5540

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

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

By:

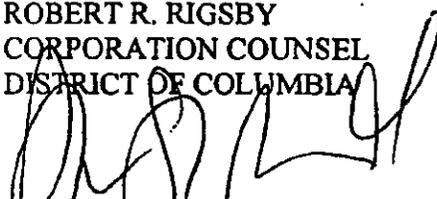


Stuart B. Drowos, ID #427  
Deputy Attorney General  
Department of Justice  
State of Delaware  
820 North French Street, 6th Floor  
Wilmington, Delaware 19801  
(302) 577-8400  
Of Counsel

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

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

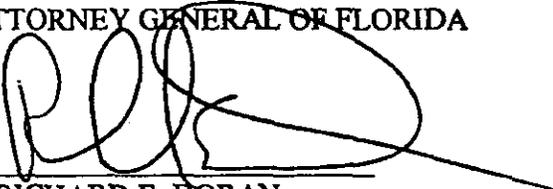
  
Charlotte W. Parker (D.C. Bar #186205)  
Acting Deputy Corporation Counsel  
Civil Division

  
Bennett Rushkoff (D.C. Bar #386925)  
Senior Counsel  
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202-727-3500

Attorneys for the District of Columbia

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.

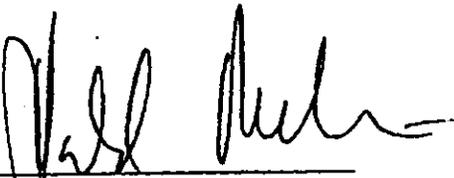
ROBERT A. BUTTERWORTH  
ATTORNEY GENERAL OF FLORIDA

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

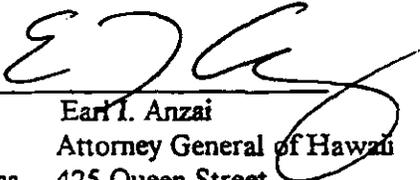
Settlement Agreement among Plaintiff States, the Federal Trade Commission, and Mylan Laboratories, Inc., Gyma Laboratories of America, Inc., Profarmaco S.r.l., and Cambrex Corp.

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

ALAN G. LANCE  
ATTORNEY GENERAL  
STATE OF IDAHO



BRETT T. DeLANGE (ISB No. 3628)

Deputy Attorney General  
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Office of the Attorney General  
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P. O. Box 83720  
Boise, Idaho 83720-0010  
Telephone: (208) 334-2424  
FAX: (208) 334-2830  
bdelange@ag.state.id.us

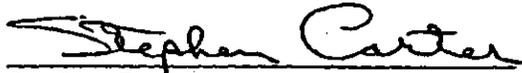
Settlement Agreement among Plaintiff States, the Federal Trade Commission,  
and Mylan Laboratories, Inc., Gyma Laboratories of America, Inc., Profarmaco S.r.l.,  
and Cambrex Corp.

ATTORNEY GENERAL 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

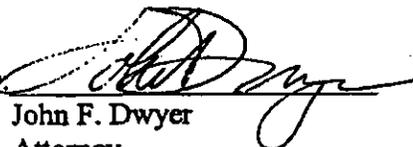
Settlement agreement among plaintiff states, the FTC and Mylan Laboratories, Inc,  
Gyma Laboratories of America, Inc., Profarmaco S.R.L. and Cambres Corp.

A handwritten signature in cursive script that reads "Stephen Carter". The signature is written in black ink and is positioned above a horizontal line.

Stephen Carter  
Attorney General of Indiana

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

ATTORNEY GENERAL THOMAS J. MILLER  
ATTORNEY GENERAL OF IOWA

By 

John F. Dwyer

Attorney

Iowa Dept. of Justice

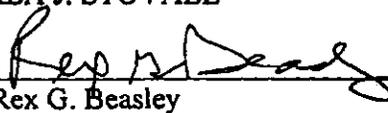
310 Maple Street

Des Moines, Iowa 50319

Tel: (515) 281-8414

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

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 "D. Vandeventer", written over the printed name below.

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



RICHARD P. IEYOUB  
ATTORNEY GENERAL

State of Louisiana  
DEPARTMENT OF JUSTICE  
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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 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 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 among Plaintiff States, the Federal Trade Commission, and Mylan Laboratories, Inc., Gyma Laboratories of America, Inc., Profarmaco S.r.l., and Cambrex, Corp.

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

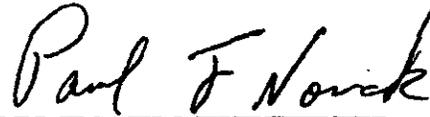
Settlement Agreement among Plaintiff States, the Federal Trade Commission, and Mylan Laboratories, Inc., Gyma Laboratories of America, Inc., Profarmaco S.r.l., and Cambrex Corp.

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

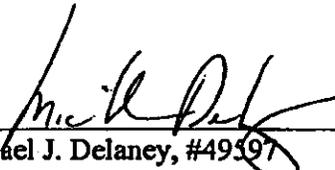
ATTORNEY GENERAL MIKE MOORE  
ATTORNEY GENERAL OF MISSISSIPPI

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

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

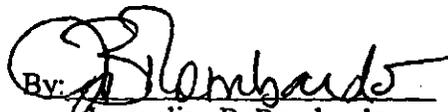
Attorney General Don Stenberg  
Attorney General of the State of Nebraska

A handwritten signature in cursive script, reading "Dale A. Comer", is 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

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.

FRANKIE SUE DEL PAPA  
ATTORNEY GENERAL OF NEVADA

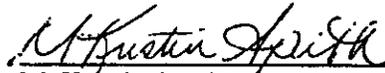
By:   
Jacqueline B. Rombardo

Senior Deputy Attorney General  
Nevada Bar #6799  
1000 E. William Street, Suite 209  
Carson City, NV 89701-3117  
Telephone: (775) 687-6300, Ext. 239

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 PHILIP T. MCLAUGHLIN  
ATTORNEY GENERAL NEW HAMPSHIRE

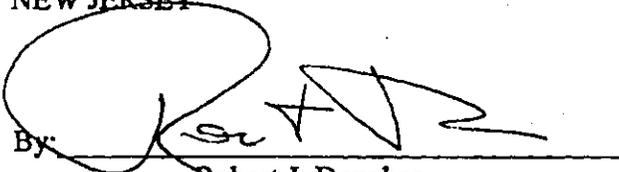
By:



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

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

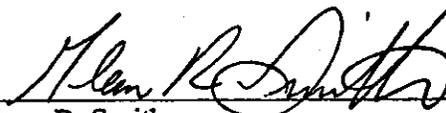
By:   
Robert J. Donaher

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

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

Date: December 21, 2000  
New York, NY

ELIOT SPITZER  
Attorney General of the  
State of New York

HARRY FIRST  
Chief, Antitrust Bureau

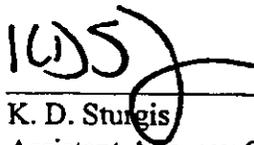
By:   
ROBERT L. HUBBARD  
Assistant Attorney General  
Director of Litigation, Antitrust Bureau  
120 Broadway  
New York, NY 10271

Of Counsel  
John A. Ioannou  
Assistant Attorney General  
Antitrust Bureau

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

ROY COOPER  
ATTORNEY GENERAL OF NORTH CAROLINA

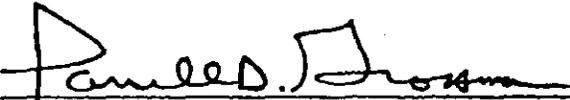
By:

A handwritten signature in black ink, appearing to read 'K. D. Sturgis', is written over a horizontal line. The signature is stylized and includes a large loop at the end.

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

STATE OF NORTH DAKOTA  
WAYNE STENEHJEM  
ATTORNEY GENERAL

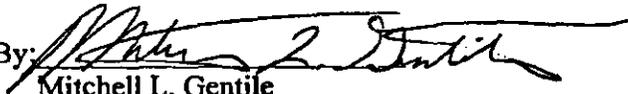
By: 

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 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 BETTY D. MONTGOMERY  
ATTORNEY GENERAL OF OHIO

By:

  
Mitchell L. Gentile

Principal Attorney

Doreen C. Johnson

Chief, Antitrust Section

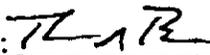
140 E. Town St., 12<sup>th</sup> Floor

Columbus, OH 43215

Phone: 614-466-4328

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

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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.

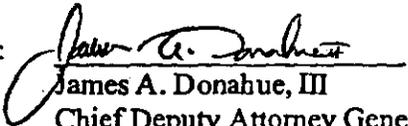
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ATTORNEY GENERAL OF OREGON

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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.

COMMONWEALTH OF PENNSYLVANIA

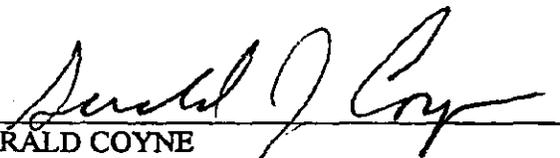
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Settlement Agreement among Plaintiff States, the Federal Trade Commission, and Mylan Laboratories, Inc., Gyma Laboratories of America, Inc., Profarmaco S.r.l., and Cambrex Corp.

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

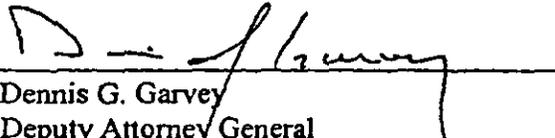
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STATE OF TENNESSEE  
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Attorney General and Reporter



Paul G. Summers



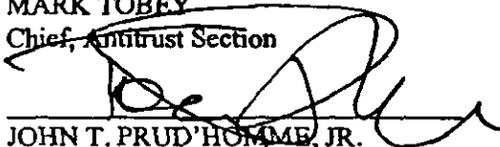
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**Settlement Agreement among Plaintiff States, the Federal Trade Commission,  
and Mylan Laboratories, Inc., Gyma Laboratories of America, Inc.,  
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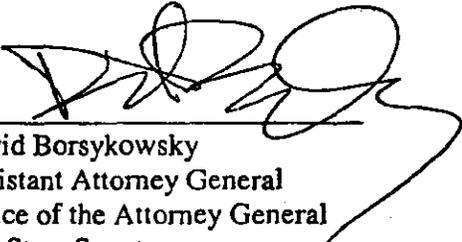
Settlement Agreement among Plaintiff States, the Federal Trade Commission, and Mylan Laboratories, Inc., Gyma Laboratories of America, Inc., Profarmaco S.r.l., and Cambrex Corp.

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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.

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1-9-2001

SETTLEMENT AGREEMENT AMONG PLAINTIFF STATES, THE FEDERAL TRADE  
COMMISSION, MYLAN LABORATORIES, INC., GYMA LABORATORIES OF  
AMERICA, INC., PROFARMACO S.R.L., AND CAMBREX CORP.

MARK L. EARLEY  
Attorney General

BY:

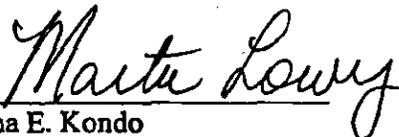


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Settlement Agreement among Plaintiff States, the Federal Trade Commission, and Mylan Laboratories, Inc., Gyma Laboratories of America, Inc., Profarmaco S.r.l., and Cambrex Corp.

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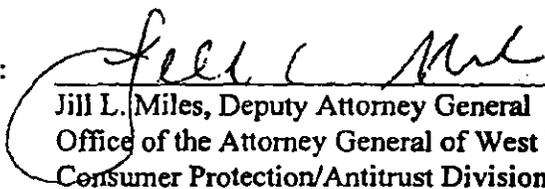


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Settlement Agreement among Plaintiff States, the Federal Trade Commission, and Mylan Laboratories, Inc., Gyma Laboratories of America, Inc., Profarmaco S.r.l., and Cambrex Corp.

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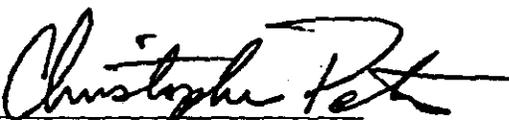
Settlement Agreement among Plaintiff States, the Federal Trade Commission, and Mylan Laboratories, Inc., Gyma Laboratories of America, Inc., Profarmaco S.r.l., and Cambrex Corp.

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ATTORNEY GENERAL OF WISCONSIN

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Assistant Attorney General  
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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 GAY WOODHOUSE  
ATTORNEY GENERAL OF WYOMING

By: 

Christopher Petrie  
Assistant Attorney General  
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Consumer protection Unit  
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(307) 777-5838





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, *et al.* )  
 )  
 ) 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

---

<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.

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 \_\_\_\_\_.

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 *parens 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 Rules 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 Rule 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

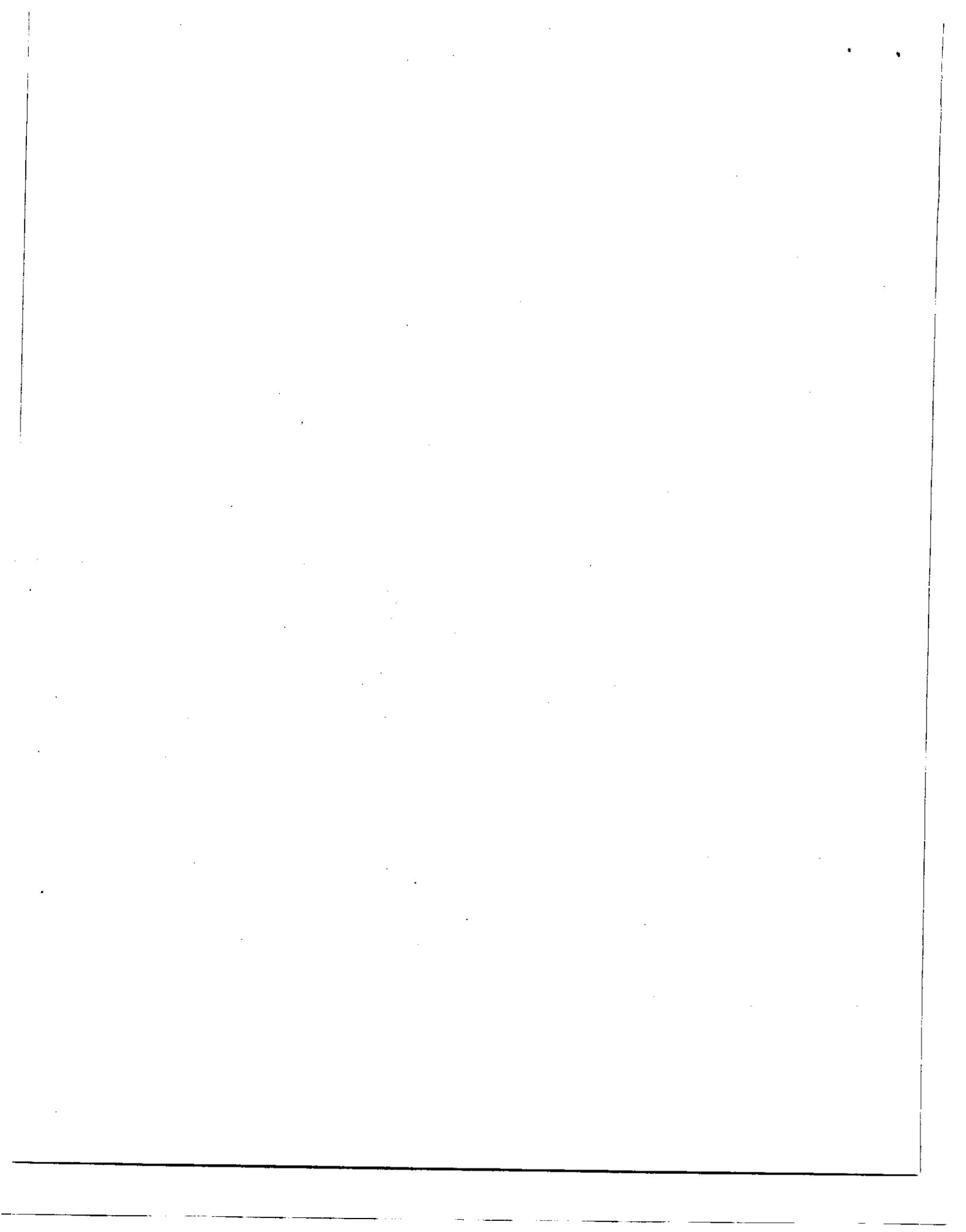
liability by any Settling Defendant or SST Settling Defendant, nor shall they be offered in evidence or used for any other purpose in this or any other matter or proceeding other than as may be necessary to consummate or enforce the Settlement Agreements or the terms of this Final Judgment and Order, 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



## 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., Gyma 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, Rife, 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 *parens* 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**

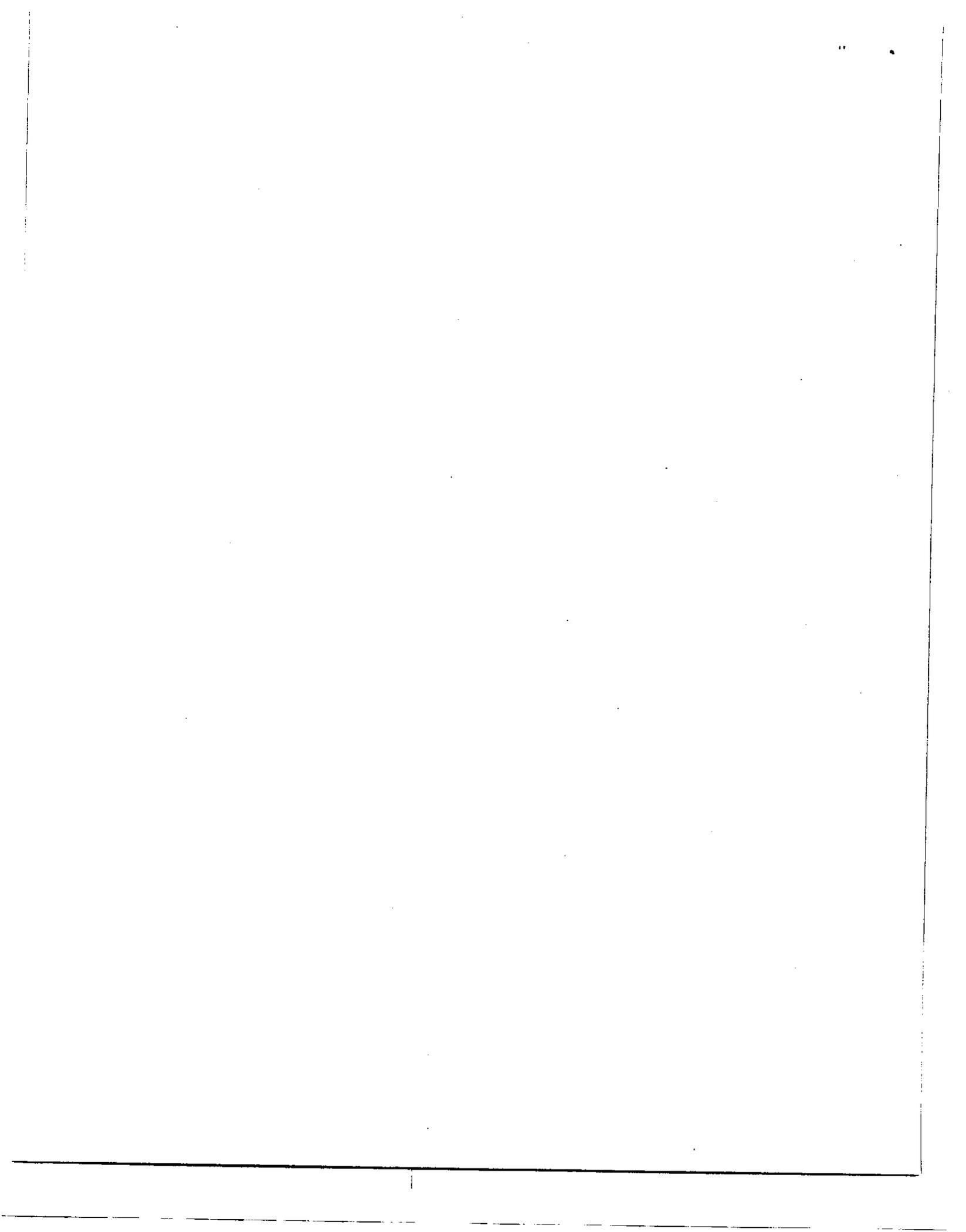
**Exhibit C**

**Schedule of Fees and Expenses**

<b>Out of Pocket Expenses:</b>	<u>\$0</u>	(Absorbed in the Administrative Fee)
<b>Annual Administration Fee:</b>	<u>\$20,000</u>	
<b>Investment Fee:</b>		
For Interest-Bearing or Money		
Market Account:	<u>3 basis points</u>	(.0003) times average annual Assets.
For purchases of Treasury Securities:	<u>\$0</u>	
<b>Other:</b>	<u>\$0</u>	

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







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.

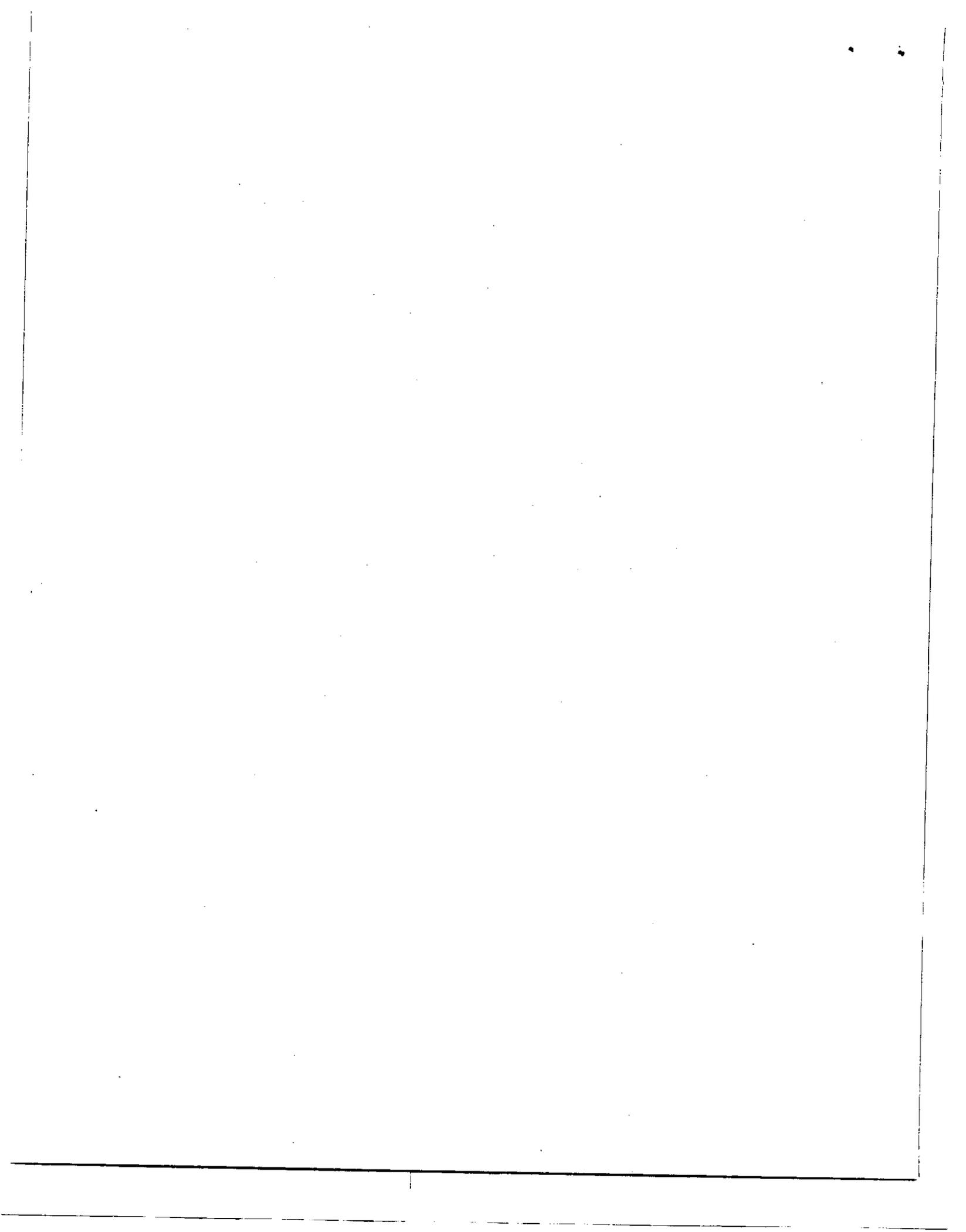
19. In the event the Settlements are terminated in accordance with the provisions of the Settlement Agreements, the Settlements and all proceedings had in connection therewith shall be null and void, except insofar as expressly provided to the contrary in the Settlement Agreements, and without prejudice 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.

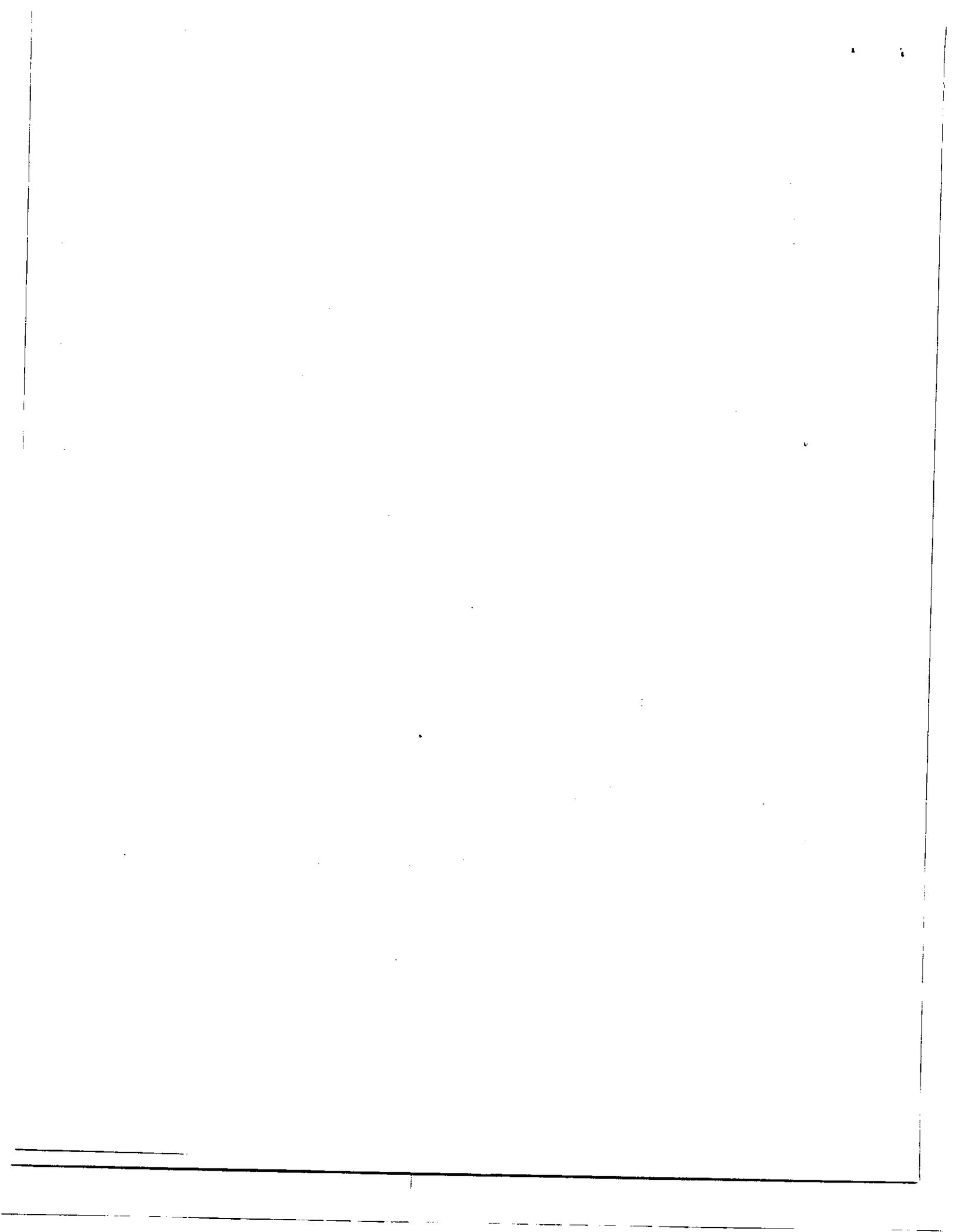
21. Neither this Order nor the Settlement Agreements shall constitute any evidence or admission of liability by any Settling Defendant or SST Settling Defendant, nor shall they be offered in evidence in this or any other proceeding except to consummate or enforce the Settlement Agreements or the terms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

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









UNITED STATES DISTRICT COURT FOR THE  
DISTRICT OF COLUMBIA

FEDERAL TRADE COMMISSION,	)	
	)	
Plaintiff	)	
	)	Civil 1:98CV03114 (TFH)
v.	)	
	)	
MYLAN LABORATORIES, INC.,	)	
CAMBREX CORPORATION,	)	
PROFARMACO S.R.L., and	)	
GYMA LABORATORIES OF AMERICA, INC.,	)	
	)	
Defendants	)	
	)	

**ORDER AND STIPULATED PERMANENT INJUNCTION**

Whereas Plaintiff Federal Trade Commission ("Commission") has filed its amended Complaint against Defendants Mylan Laboratories, Inc., Cambrex Corporation, Profarmaco S.r.l., and Gyma Laboratories of America, Inc., pursuant to Section 13(b) of the Federal Trade Commission Act ("FTC Act"), 15 U.S.C. § 53(b), seeking injunctive and other equitable relief for violations of Section 5 of the FTC Act, 15 U.S.C. § 45; whereas the Commission and Defendants have stipulated and agreed to entry by the Court, without further notice, of the following findings and permanent injunction; whereas this Order is entered for settlement purposes only and does not constitute any evidence against or an admission of liability by the Defendants; and whereas the Court, being advised in the premises, finds:

1. The Commission brings this action under Sections 5 and 13(b) of the FTC Act, 15 U.S.C. §§ 45 and 53(b). In its Amended Complaint (dated February 8, 1999), the

Commission seeks permanent injunctive and other equitable relief, including disgorgement. The Commission alleges that the Defendants conspired to monopolize and entered into agreements that unreasonably restrained trade in the lorazepam and clorazepate tablet and active pharmaceutical ingredient markets. The Commission further alleges that Mylan Laboratories, Inc., monopolized and attempted to monopolize the markets for lorazepam and clorazepate tablets. This Court has held that, pursuant to Section 13(b), the Commission has authority to seek the relief it has requested.

2. This Court has jurisdiction over the parties and the subject matter of this action. Venue is proper in the District of the District of Columbia. This Court has held that the Complaint states a claim upon which relief may be granted against Defendants under Sections 5 and 13(b) of the FTC Act, 15 U.S.C. §§ 45, 53(b).
3. The Defendants' activities are in or affecting commerce, as defined in 15 U.S.C. § 44.
4. This Court has held that this case is a proper case for the issuance of a permanent injunction pursuant to Section 13(b) of the FTC Act, 15 U.S.C. § 53(b).
5. Defendants waive all rights to appeal or otherwise challenge or contest the validity of this Final Order and Stipulated Permanent Injunction, and Defendants waive any claim under the Equal Access to Justice Act, 28 U.S.C. § 2412.
6. Each Defendant, without admitting that it has violated Section 5 of the FTC Act, 15 U.S.C. § 45, or that entering an injunction under Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), is proper, agrees to the entry of this Order under Section 13(b) of the FTC Act, 15 U.S.C. § 53(b).
7. Entry of this order is in the public interest.

I.

IT IS ORDERED that, as used in this Order, the following definitions shall apply:

- A. "Agreement" means anything that would constitute an agreement under Section 1 of the Sherman Act, 15 U.S.C. § 1, or Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45.
- B. "ANDA" means Abbreviated New Drug Application, as defined under 21 U.S.C. § 355(j) *et seq.*
- C. "API" means active pharmaceutical ingredient.
- D. "Cambrex" means Cambrex Corporation; its divisions and subsidiaries; and their directors, officers, employees, agents, representatives, successors and assigns, and all other persons or entities in active concert or participation with them, who receive actual notice of this Order by personal service or otherwise.
- E. "Commerce" has the same definition as it has in 15 U.S.C. § 44.
- F. "Commission" means the Federal Trade Commission.
- G. "DMF" means Drug Master File, as provided under 21 C.F.R. 314.420.
- H. "Enter into" means join, participate in, or implement.
- I. "FDA" means the United States Food and Drug Administration.
- J. "Gyma" means Gyma Laboratories of America; its divisions and subsidiaries; and their directors, officers, employees, agents, representatives, successors and assigns, and all other persons or entities in active concert or participation with them, who receive actual notice of this Order by personal service or otherwise.

- K. "Mylan" means Mylan Laboratories, Inc.; its divisions and subsidiaries, including Mylan Pharmaceuticals; and their directors, officers, employees, agents, representatives, successors and assigns, and all other persons or entities in active concert or participation with them, who receive actual notice of this Order by personal service or otherwise.
- L. "Person" means any natural person, partnership, corporation, or business entity.
- M. "Profarmaco" means Profarmaco S.r.l.; its divisions and subsidiaries; and their directors, officers, employees, agents, representatives, successors and assigns, and all other persons or entities in active concert or participation with them, who receive actual notice of this Order by personal service or otherwise.
- N. "Settlement Agreement" means the agreement (and attachments thereto) executed by the Commission, the Plaintiff States, and Defendants, which governs the resolution of the above-captioned matter and the *States Action*.

## II.

IT IS FURTHER ORDERED that, not later than three (3) days after service of this Order, Mylan Pharmaceuticals, Inc., pay \$71,782,017 to an escrow fund for purposes of satisfying consumer claims in the related matter *Connecticut v. Mylan*, Civil 1:98CV03115 (D.D.C.) (the *States Action*), and \$28,217,983 to an escrow fund for purposes of satisfying state agency claims in the *States Action*. The escrow funds are intended to be qualified settlement funds within the meaning of Treas. Reg. Sections 1.468B-1, et seq., and distributions from the escrow funds are subject to the Settlement Agreement and further order from this Court.

**III.**

**IT IS FURTHER ORDERED** that Defendants Mylan, Cambrex, Profarmaco, and Gyma are each enjoined from entering into or attempting to enter into any agreement with any person, in or affecting commerce, concerning any API if the agreement (1) prohibits the API supplier from supplying any person not a party to the agreement, (2) prohibits any person not a party to the agreement from referencing the API supplier's DMF, or (3) exclusively licenses the API supplier's DMF; and further provided that the effect of such an agreement is to unreasonably restrain trade, create an unlawful monopoly, or attempt to create an unlawful monopoly.

**IV.**

**IT IS FURTHER ORDERED** that Defendant Mylan is enjoined for five (5) years from the date this Order is entered from entering into or attempting to enter into any agreement, in or affecting commerce, with Defendants Cambrex, Profarmaco, or Gyma that (1) prohibits Profarmaco, Cambrex, or Gyma from selling lorazepam or clorazepate API to any person, (2) prohibits any person from referencing Profarmaco's DMF for lorazepam or clorazepate API, or (3) exclusively licenses Profarmaco's lorazepam or clorazepate DMF to Mylan.

**V.**

**IT IS FURTHER ORDERED** that Defendant Mylan is enjoined from entering into or attempting to enter into any agreement with any person, in or affecting commerce, concerning any API, if (a) Mylan does not reference the API supplier's DMF and (b) the agreement (1) prohibits the API supplier from supplying any person not a party to the agreement, (2) prohibits any person not a party to the agreement from referencing the API supplier's DMF, or (3) exclusively licenses the API supplier's DMF.

**VI.**

**IT IS FURTHER ORDERED** that, for five (5) years from the date this Order is entered, Mylan shall notify the Commission thirty (30) days before entering into any agreement, in or affecting commerce, with any person concerning any API for which the API supplier has a DMF, if the agreement (1) prohibits the API supplier from selling the API to any person not a party to the agreement, (2) prohibits any person not a party to the agreement from referencing the API supplier's DMF, or (3) exclusively licenses the API supplier's DMF to Mylan. Such notice shall include:

- (a) A copy of the proposed agreement;
- (b) To the extent not reflected therein, the identification of all parties to such agreement, the API(s) involved, and all terms relating to exclusivity and compensation (including prices, profit-sharing, royalties, and other payments);  
and
- (c) For the three most recent years, all IMS data, purchased in the ordinary course of business, relating to the finished drug product involved in the agreement, or, if no IMS data is available, any available data on sales in units, prescriptions, and dollars of the finished drug product involved.

**VII.**

**IT IS FURTHER ORDERED** that, for five (5) years from the date this Order is entered, Cambrex, Profarmaco or Gyma shall notify the Commission thirty (30) days before entering into any agreement, in or affecting commerce, with any person concerning any API for which the API supplier has a DMF, if the agreement (1) prohibits the API supplier from selling the API to any

person who references the DMF, (2) prohibits any person not a party to the agreement from referencing the API supplier's DMF, or (3) exclusively licenses the API supplier's DMF. Such notice shall include:

- (a) A copy of the proposed agreement;
- (b) To the extent not reflected therein, the identification of all parties to such agreement, the API(s) involved, and all terms relating to exclusivity and compensation (including prices, profit-sharing, royalties, and other payments);  
and
- (c) Data sufficient to show each sale of the API involved in the agreement in the past three years, the identity and location of the customer for each sale, the amount in kilograms of each sale, and the total amount in dollars of each sale of the API involved.

#### VIII.

**IT IS FURTHER ORDERED** that each Defendant shall:

- A. File a verified, written report with the Commission setting forth in detail the manner and form in which it has complied and is complying with this Order:  
(1) within ninety (90) days from the date this Order is entered, (2) annually thereafter for five (5) years on the anniversary of the date this Order is entered, and (3) at such other times as the Commission may require by written notice.
- B. For a period of five (5) years from the date this Order is entered, maintain and make available to Commission staff for inspection and copying upon reasonable

notice, records sufficient to describe in detail any action taken in connection with the activities covered by this Order.

- C. Notify the Commission at least thirty (30) days prior to (1) any proposed change in the corporate Defendant, such as its dissolution, assignment, or sale resulting in the emergence of a successor corporation, or (2) any other change or the creation or dissolution of subsidiaries that may affect compliance obligations arising out of this Order.
- D. Address each notice and report that this Order requires to Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue, NW, Washington, DC 20580, and send a copy of each notice pursuant to paragraphs VI and VII to the Assistant Director of Health Care, Bureau of Competition, at the same address.

#### IX.

IT IS FURTHER ORDERED that the following do not violate, and are not subject to, the Order:

- A. Any agreement relating to:
- (1) Any API or finished drug product during the period the manufacture and sale of which is protected by a patent.
  - (2) The development of any patentable API or finished drug product for which a New Drug Application would be necessary to sell the finished drug product in the United States.
  - (3) The development of any API or generic finished drug product, if the API supplier has not filed a DMF with the FDA at the time of the agreement.

- (4) The development of any generic finished drug product, if there is no existing or pre-existing commercially available generic finished drug product that references the API supplier's DMF at the time of the agreement.
- B. Any exclusive distributorship agreement, such as that currently in effect between Profarmaco and Gyma, by which the API supplier designates an exclusive distributor of one or more APIs to API purchasers in the United States or any portion thereof.
- C. Any purchase order for any API submitted to, and accepted by, an API supplier in the ordinary course of business.

**X.**

**IT IS FURTHER ORDERED** that this Order shall take effect on, and expire ten (10) years from, the date this Order is entered, and that this Order may become null and void before the expiration of the ten-year period as provided in the Settlement Agreement or by further order of the Court.

**XI.**

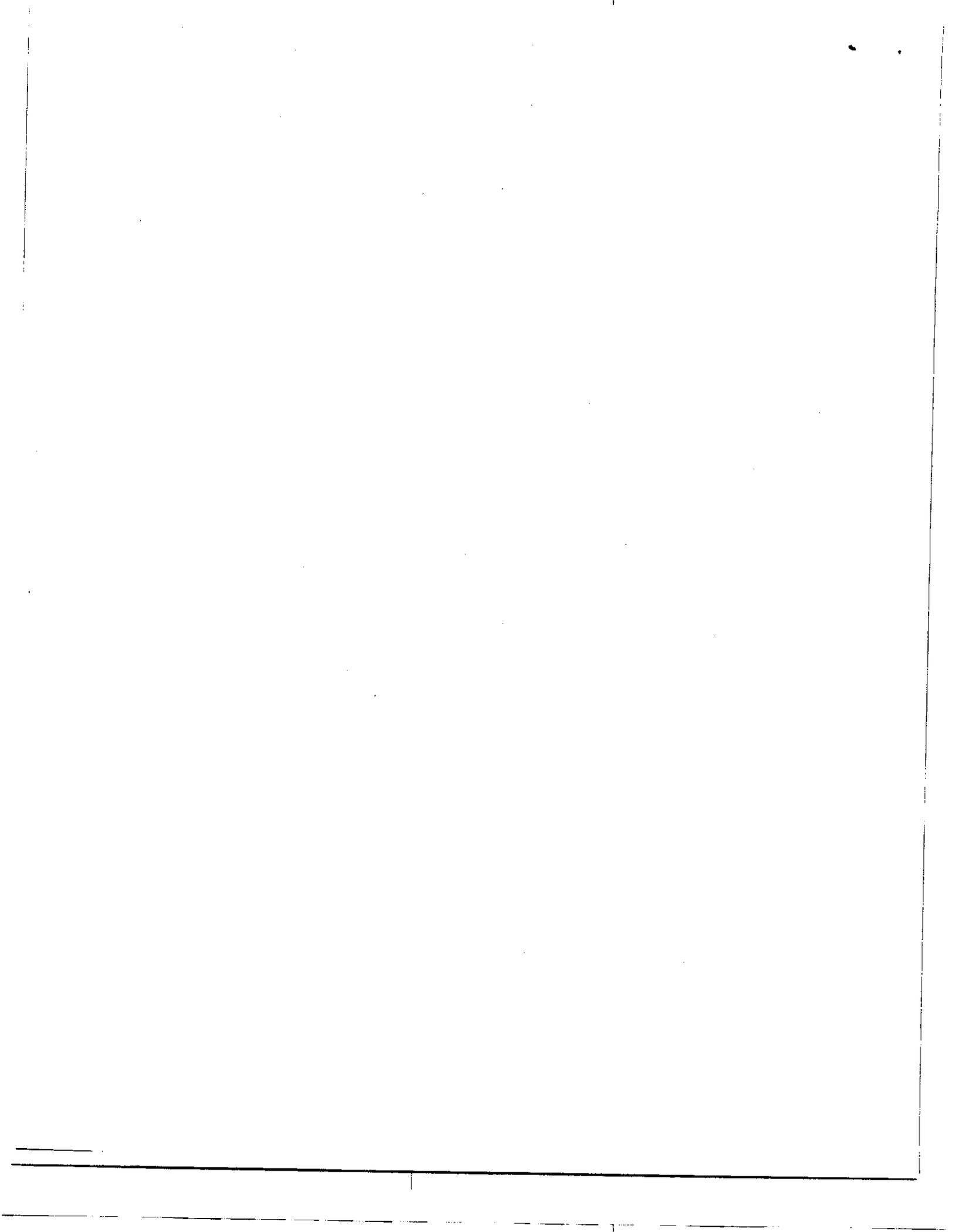
**IT IS FURTHER ORDERED** that the Court retains jurisdiction of this matter for purposes of construction, modification and enforcement of this order.

Washington, DC, this            day of            2000.

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Thomas F. Hogan  
UNITED STATES DISTRICT JUDGE





## ATTACHMENT 5

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

The Escrow Agent shall disburse the Cost and Fee Account, exclusive of any interest earned thereon, 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. Such costs shall include reimbursement of the National Association of Attorneys General Milk Fund Account ("NAAG Milk Fund") for consultant and expert fees expended from the NAAG Milk Fund by the Litigating Plaintiff States. After reimbursement is made to the NAAG Milk Fund, the remaining portion of 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>1</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

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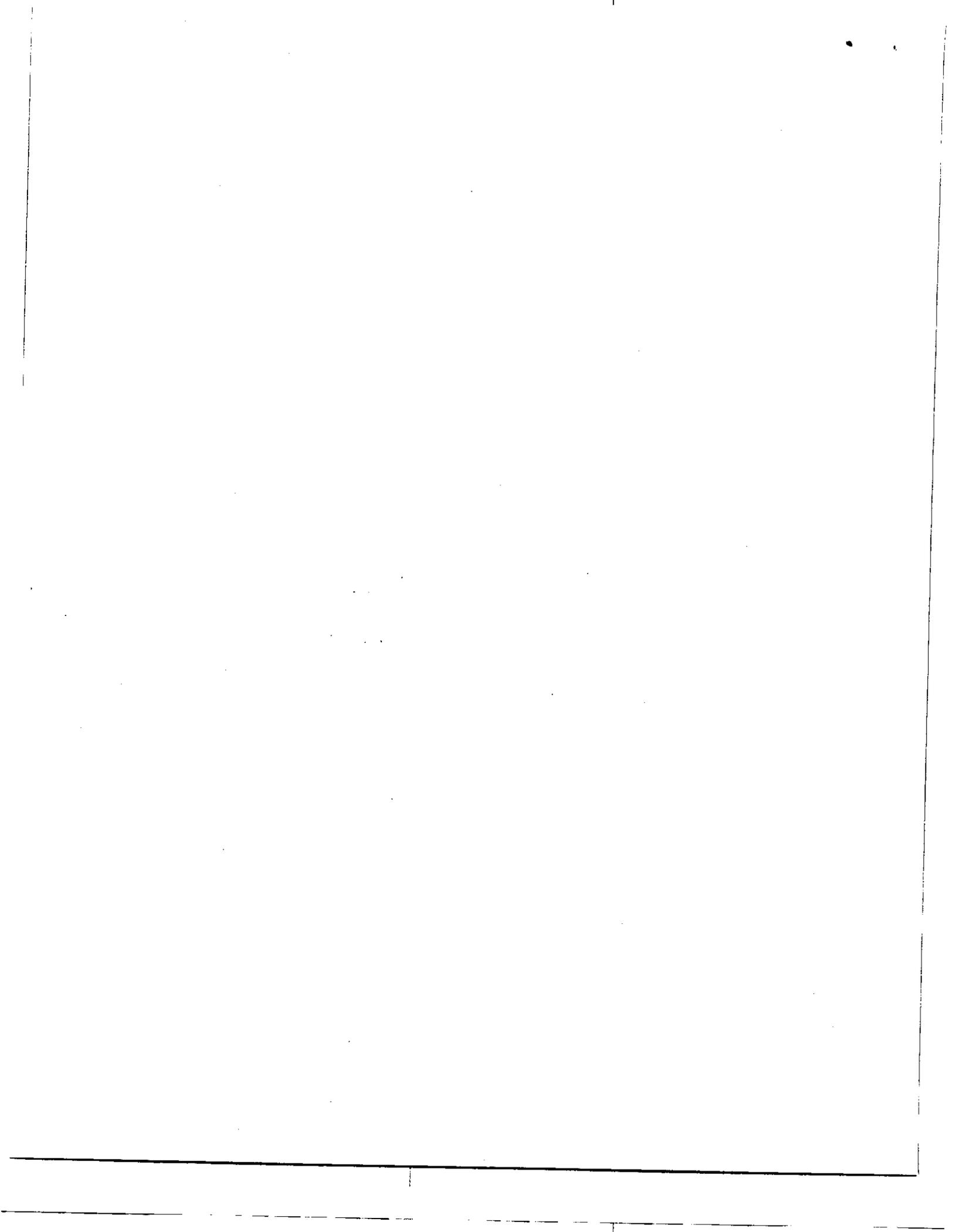
<sup>1</sup>With respect to the State of Colorado, its apportionment shall be used first for reimbursement of Colorado's actual costs and attorneys fees and second, to be held, along with any interest thereon, in trust by the Attorney General for future consumer education, consumer fraud or antitrust 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.

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.

The Escrow Agent may pay all interest accrued on the Cost and Fee Account, up to a maximum of \$200,000, into the NAAG Milk Fund to partially reimburse the Fund for past unreimbursed expenditures from the Fund. 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 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 Settlement Agreement by the Court, or otherwise delay or affect approval of the settlement, or entry of the Final Judgment and Order.





**ATTACHMENT 6**  
**GUIDELINES GOVERNING DEVELOPMENT OF**  
**GOVERNMENT COMPENSATION PLAN**

The Escrow Agent shall distribute all funds remaining in the Agency Account of the State Fund after payment of the costs set forth in subsection VI.A.1. of the Settlement Agreement, according to the Government Compensation Plan. In the event a state or states do not opt into this Settlement Agreement pursuant to the terms of Section IX.B of the 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 Agency Account. The Plaintiff States shall submit the Government Compensation Plan to the Court with the motion for Preliminary Approval of the settlement.

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



11



**ATTACHMENT 7**

**GUIDELINES GOVERNING DEVELOPMENT  
OF CONSUMER DISTRIBUTION PLAN**

The Escrow Agent shall distribute and/or administer the distribution of all funds remaining in the Consumer Fund after payment of the costs and expenses set forth in Section VI.A.2 of the Settlement Agreement, 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 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 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 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 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 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 Settlement Agreement. Any order or proceedings relating to the Consumer Distribution Plan shall not operate to terminate or cancel the Settlement Agreement or affect the finality of the Court's judgment approving the Settlement Agreement, the Final Judgment and Order, or any other orders entered pursuant to the Settlement Agreement.